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TODAY: HEALTH SCIENCE Bird Missing Link, Page 10

The Rules of Business Are Growing Hazy in Hong Kong

Here's a Deal That Nobody Wants to Refuse

Bloomberg News

HONG KONG — Yiu Him, a retired cook, waited 74 years to buy stocks. He may have to wait a little longer.

Mr. Yiu is among tens of thousands of Hong Kong residents who have flocked to local brokerages this week hoping to be among the lucky few to buy shares in the Beijing city government's first stock sale.

Beijing Enterprises Holdings Ltd. — the investment arm of the Beijing city government — is selling $24 million worth of shares to individual investors in its initial public offer, or IPO. By the time the dust clears from the investor stampede, the share sale is expected to draw at least 1,000 times that amount in applications and could become the most popular stock sale in Hong Kong history.

The IPO mania — underwriters printed enough application forms for one in four Hong Kong adults — will strain the territory's banking system as investors transfer funds from bank accounts to pay the application deposit. The big winner could be the company itself, which stands to pocket a week's interest on $35 billion or more simply by depositing proceeds from excess applications before they are refunded.

Few investors seem to know, or care, much about Beijing Enterprises' business or profit prospects. Among other things, the company owns 80 percent of China's biggest brewery, Yanjing Brewery, a

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For 'Red-Chip' Companies, Murky Financing

By Philip Segal
Special to the Herald Tribune

HONG KONG — Buy now, pay later is a time-honored formula that works when buying furniture, home electronics and now, blue-chip Hong Kong companies — at least if the buyer is a Chinese state company.

A week after a low-profile Chinese company stunned Hong Kong when it said it would spend $1.47 billion for a stake in the territory's largest phone company, Hongkong Telecommunications Ltd., analysts and economists were still at a loss as to how China Everbright Holdings Ltd. would pay for the acquisition. The buyer's assets total $10 billion, and its three public subsidiaries traded in Hong Kong have a combined market value of only $268 million.

"I can't remember anything of this magnitude" in Hong Kong, said Abhijit Chakrabortti, strategist at Lehman Brothers, "which is so mysterious."

There may be more such deals to come. Analysts seemed to agree that acquisitions of highly liquid public companies in Hong Kong by Chinese companies would become more common.

"This is the real worry for Hong Kong's future: the lack of transparency in commercial transactions," said the head of sales at a European brokerage, who asked not to be identified.

His complaint was that with no financing lined

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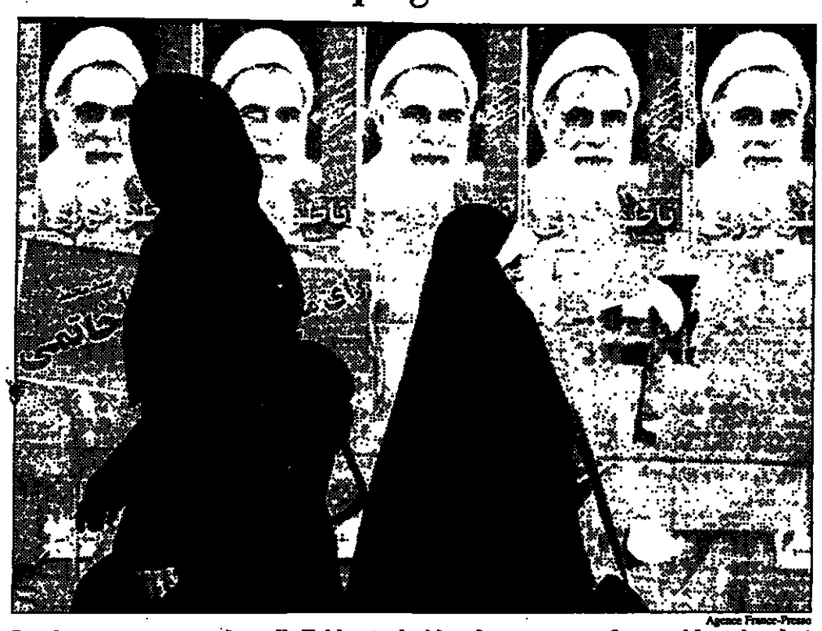
As Presidential Campaign Ends in Iran . . .



Agence France-Presse

Iranians were to go to the polls Friday to decide a four-way race for president, in what is by far the most competitive election to be held since the 1979 revolution. Page 6.

. . . Electoral Tension Heats Up in Indonesia

The Associated Press

As Indonesians prepared for parliamentary elections May 29, the military blamed the far left for campaign violence, but opposition activists said rigid political controls caused the unrest. Page 4.

Technology Leads Way As U.S. Cuts Trade Gap

Plane Sales to China Push Performance To a Monthly Record

By Mitchell Martin
International Herald Tribune

NEW YORK — The U.S. trade deficit unexpectedly narrowed in March as exports hit a monthly record, the government reported Wednesday, and analysts said the performance reflected America's success in selling airplanes and other high-technology goods.

The deficit shrank to $8.5 billion in March from $10.5 billion in February. March exports rose to $76.5 billion from $73.5 billion a month earlier, while imports also reached a record, $85 billion, up from $84 billion.

Much of the increase reflected the sale of aircraft to China. The overall deficit with China fell to $2.6 billion in March from $3.3 billion. Although analysts said the trend of widening U.S.

The U.S. economy appears to be slowing. Page 11.

trade deficits with China remained in place, the nearly $1 billion a month in American exports underlined the importance of the country as a market for U.S. goods.

President Bill Clinton this week said he intended to renew China's most-favored-nation trading status. That action had been expected despite questions about the country's record on human rights.

In the aircraft sector, the rivalry between Boeing Co. and Airbus Industrie was highlighted last week when China agreed to buy $1.5 billion of planes from the European consortium.

Many analysts had been predicting a double-digit trade gap in March, and because of the narrowing, the Commerce Department is likely to revise its estimate for first-quarter economic growth upward from the torrid 5.6 annual percent rate previously reported, Everett Ehrlich, undersecretary of commerce, told The Associated Press.

That put some pressure on the U.S. financial markets, which remain concerned that the Federal Reserve Board would raise rates to combat inflationary pressures brought on by faster growth than the American economy can accommodate.

Overall, however, the March trade

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Burma Is Said to Arrest Dissidents as U.S. Sanctions Take Hold

By Seth Mydans
New York Times Service

BANGKOK — As an American ban on new investments in Burma took effect Wednesday, reports emerged of a new wave of arrests of members of the pro-democracy movement of Daw Aung San Suu Kyi.

The U.S. sanctions, intended to punish the military government for human rights abuses, were announced a month ago and signed into law Tuesday. In announcing the action, President Bill Clinton said it came in response to increased political repression and Burma's continued production of opium and heroin.

The imposition of sanctions drew a stubborn response both from Burma's military leaders and from officials of neighboring nations, which are to decide at the end of the month whether to admit Burma into the Association of South East Asian Nations.

"Since Myanmar is walking on a straight line toward her noble goal, there is no reason to deviate from its original path to serve the interest of a foreign government," the government said in a statement last month.

The London-based human rights group Amnesty International said Wednesday that at least 50 members of Daw Aung San Suu Kyi's party, the National League for Democracy, had been detained.

Foreign diplomats in the capital, Rangoon, confirmed by telephone that arrests were taking place in several cities. An opposition party official told The Associated Press that the arrests had begun Monday and that a number of party members were taking refuge in Daw Aung San Suu Kyi's compound.

The arrests appeared to be an attempt to block a congress of the National League for Democracy planned for next week to mark the seventh anniversary of parliamentary elections in which the party won more than 80 percent of the seats. The ruling junta refused to honor the result.

A similar round of arrests took place a year ago in advance of similar plans for a party congress. At that time, government officials said 262 party delegates were detained. Most were released shortly afterward, but more than 20 were tried and sentenced to prison terms.

The Good Old Bad Days

Russia Awash in Nostalgia After Swift Change

By David Hoffman
Washington Post Service

MOSCOW — For Nadia Avenarious, a teacher, an evening on Russian television offers a host of choices, from the soap operas "Santa Barbara" and "Dynasty," to the game show "Name That Tune," to such crime thrillers as "Escape" and horror films like "Nightmare on Elm Street."

But Miss Avenarious said she would much rather watch "Spring on Zarechnaya Street," a 1956 Soviet-era classic about a beautiful young literature teacher who goes to work in a bleak industrial town and falls in love with the hero, a simple factory worker.

The film, produced just as the post-Stalin period known as "the Thaw" was beginning, is deeply evocative of young workers striving to improve themselves, imbued with the values of hard labor and optimism for the future.

"I can rest; the film calms me down," she said.

"There are no monsters, no vampires, no murders. Arnold Schwarzenegger? I'm not even able to watch him. We had enough blood in Chechnya, enough violence in the papers every day.

"I know life was hard then, but these old films are a way out of a dead end."

The Soviet era has passed, but its legacy in movies remains at the forefront of contemporary Russian society. According to surveys, old Soviet movies are among the most watched programs on Russian television. Their reappearance on the airwaves in the last few years is indicative of a deeper wave of nostalgia for aspects of Soviet life that has enveloped Russia.

The nostalgia is a reaction to the breakneck pace of change here over the last decade.

After so much uprooting in their personal lives and the life of the country, Russians are reaching out for old comforts. They have been saturated with jeans, soap operas and candy bars from the West, and now they are looking for symbols of their own identity.

But the search is a complex one. Many of the most popular Soviet films

See FILM, Page 6

Brian Little/Agence France-Presse

Martin McGuinness, the Sinn Fein deputy leader, arriving with his delegation for talks in Belfast with British officials on Wednesday.

British and Sinn Fein Talk About New Truce by IRA

By James F. Clarity
New York Times Service

BELFAST— For the first time since the Irish Republican Army broke its cease-fire 15 months ago with a bomb attack that killed two persons in London, British officials met Wednesday with officials of Sinn Fein and discussed the possibility of a new cease-fire that would clear the way for it to enter the stalled Northern Ireland peace talks.

After the three-hour meeting at Stormont Castle on the edge of Belfast, Britain's new Northern Ireland secretary, Mo Mowlam, said, "It was an informed constructive discussion. There is movement in the clarification process, which is good."

Ms. Mowlam, who did not attend the meeting, added, "We will move; Tony made it clear that we intend to get moving," referring to Prime Minister Tony Blair of England.

"There will be more meetings with Sinn Fein," she continued. "That is progress. I don't know how much closer we are, but people are talking and it's better than it was yesterday."

Ms. Mowlam said she was going to Washington on Thursday to brief White House officials on her government's initiative. British officials have made it clear that they hope the Clinton administration will continue to put pressure on Sinn Fein, the political arm of the IRA, to seek a new cease-fire and that they expect President Bill Clinton to make a strong statement on Northern Ireland when he meets Mr. Blair in London next week.

Martin McGuinness, the head of the

See ULSTER, Page 6

AGENDA

U.S. Would Free Banks for Business

The U.S. treasury secretary, Robert Rubin, has outlined a proposal to modernize the financial services sector by breaking down the wall separating banking and commerce. Under the plan, which the administration has urged Congress to act upon, banks, brokerage firms and insurance companies would be allowed to affiliate with one another, and federally insured banks could offer a wider range of financial services. Page 12.

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The IHT on-line http://www.iht.com

The Dollar

New York	Wednesday @ 4 P.M.	previous close
DM	1.694	1.6758
Pound	1.6447	1.657
Yen	114.345	112.55
FF	5.7055	5.6435

The Dow

	Wednesday close	previous close
-12.77	7290.69	7303.46

S&P 500

change	Wednesday @ 4 P.M.	previous close
-2.27	839.39	841.66

Clinton Appoints Envoy to Germany

WASHINGTON (AFP) — President Bill Clinton has selected John Kornblum, the assistant secretary of state for Canadian and European affairs, as ambassador to Germany, the White House announced Wednesday.

Envoys in waiting, Page 2

Grass-Buster, but an Image-Builder Too

By Eric L. Wee
Washington Post Service

WASHINGTON — The basic riding lawn mower seems adequate enough on the showroom floor. It's got a steering wheel. It cuts grass.

But the one next to it sports cool-looking vents on the side of the engine. And it has a hood!

Next to the hooded one is a big, stout-looking beast with a grill and headlights, cushy high-back seat, great-looking dashboard and big, beefy tires.

As the salesman promotes this one's cruise control and liquid-cooled engine, the basic mower starts looking like a glorified go-kart. You want a "lawn tractor," and it's yours for only $8,000.

"If you got everything on it, it'll cost just as much as a car," said Terry Bacon, sales manager at Lawn and Power Equipment in Bethesda, Maryland, who has been doing good business selling high-end John Deere lawn tractors. "You can spend 12, 13, 14 thousand dollars."

It's the Hottest Thing On Wheels in America

Six out of 10 customers, he said, insist on buying more tractor than they need.

"People don't want a little tractor," he said. "Once they get on a tractor in front of their neighbors, they want to feel manly."

It's lawn mowing season again, and many yard-obsessed suburbanites won't settle for walk-behind mowers. More are buying riding mowers, and some are paying *thousands of dollars* extra to get the best technology.

Dealers market the new supercutters as a way for harried homeowners to save time in the yard. But new owners of minitractors admit that having one is also about fun. In addition, dealers say, people do not want to be left behind once a neighbor gets one.

"A lot of people can't really afford a John Deere," Mr. Bacon said. "But they like seeing a John Deere sitting in their yard."

Officials at the Illinois company, which is renowned globally for its agricultural tractors, said its new line of high-end grass machines had been selling faster than they had expected.

Standard equipment on the top models includes power steering, disc brakes, automatic transmission, tilt steering wheel, electric-fuel-injected engine and hydraulics to lower and raise the blades. For $130 more, it comes with stainless steel hubcaps. Mr. Bacon will add an *FM-cassette stereo* with headphones for $149 more.

To help pay for these carlike prices are carlike payment plans. With 10 percent down, the buyer can rumble out with a first-rate mower and take four

See MOW, Page 6

Newsstand Prices

Bahrain	1.000 Din	Malta	55 c.
Cyprus	C. £ 1.00	Nigeria	125,00 Naira
Denmark	14.00 D.Kr.	Oman	1.250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zm.$30.00

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AT&T

The Survivors / **Facing an Unexpected Problem**

When AIDS Loosens Its Grip, Time to Look for Work

By Lynda Richardson
New York Times Service

NEW YORK — A year and a half ago, a 49-year-old man named Robert was planning his funeral instead of his future. His skin had become infected with festering pimples that refused to heal. His weight had dropped precipitously. He found it physically draining to visit old friends who were also dying of AIDS, fading like wilted flowers. He thought of death constantly.

But earlier this month, there he was, robust and tan in a blue T-shirt and khakis, pondering three job offers and attending a new evening seminar on HIV in the workplace, sponsored by the Gay Men's Health Crisis, the nation's largest AIDS service agency.

In a stark white conference room typically used by social workers to help HIV-infected people arrange a safety net of benefits for their deaths, he was feeling the wonderment of contemplating a return to work after two years on disability.

Powerful new AIDS drugs called protease inhibitors have reduced the lethal virus in his blood to undetectable levels. Now Robert, who used to earn $70,000 a year in real estate and architectural design, hopes to have a new job by the end of May.

"It's like being resurrected," said Robert, who spoke on the condition that he not be fully identified because he feared prospective employers had misperceptions about AIDS. "I feel like a child."

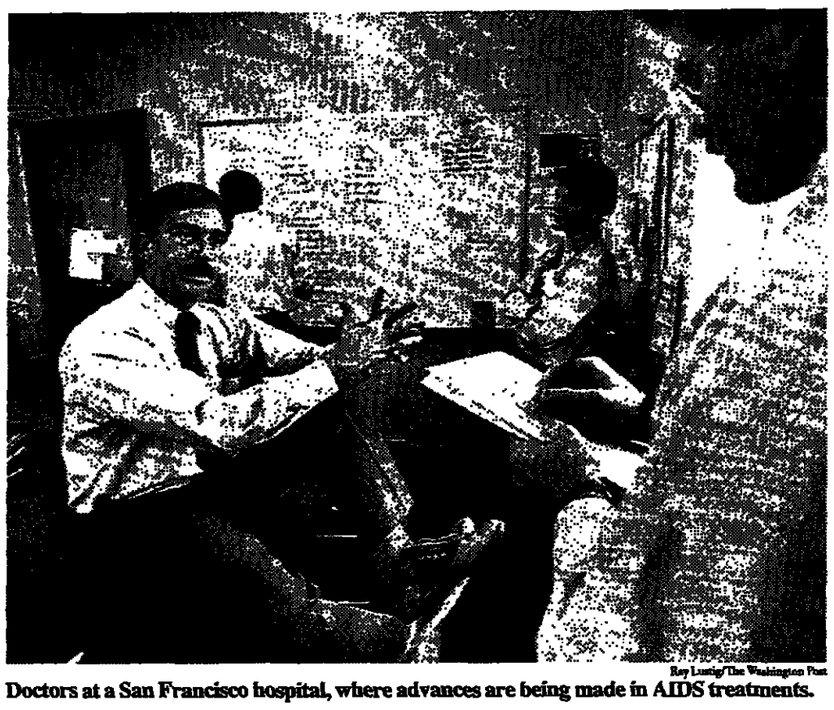
Medical breakthroughs have left the Gay Men's Health Crisis and other AIDS service agencies across the country suddenly grappling with fragile hope.

Even as they continue to assist ailing clients who do not have access to the life-prolonging treatments or have failed to benefit from them, the agencies are quietly reinventing themselves in concrete and practical ways to keep pace with thousands of people like Robert.

For the first time since the beginning of the epidemic 16 years ago, the agencies are creating new classes, like how to deal with renewed health, and shifting the focus of others from finding a funeral home to finding a paycheck. At the Gay Men's Health Crisis in the Chelsea section of Manhattan, workplace issues have dominated the discussion in seminars and workshops in recent months. New classes deal with subjects like the rights of employees with HIV and how to return to the workplace.

"That's all that everybody is talking about," said Lillie Mikesell, a spokeswoman for the group. "It's all just exploded."

In San Francisco, AIDS Benefits Counselors, which used to be in the business of preparing clients for disability and death, now manages an employment service and has seen demand for job skills and placement workshops nearly triple since January.



Ray Lustig/The Washington Post

Doctors at a San Francisco hospital, where advances are being made in AIDS treatments.

In Atlanta, AID Atlanta, a nonprofit service agency, has conducted free public forums since November to help clients with AIDS navigate the challenges of renewed health.

THE forums have broached everything from artfully accounting for enormous gaps in resumes (list accomplishments, putting the sizzle up front, rather than jobs in chronological order) to understanding changes in corporate culture and lingo (team leaders, not managers).

For the first in the series of six public forums, a few dozen people were expected, but 200 showed up.

"We're in an incredibly pivotal time in the epidemic where we are looking at how to help people live rather than how to help them die," said Sandy Thurman, President Bill Clinton's new director of the National Office on AIDS Policy. "It's a huge shift logistically as well as psychologically."

Even as AIDS comes to feel for some people more like a chronic disease than a death sentence, the shifting role of AIDS agencies has become a touchy subject to service providers. There are still many unknowns about the new drugs, like how long they will remain effective. But, as the needs of clients change, some AIDS organizations are likely to be put out of business.

As lower-income minorities rather than white middle-class gay men have become the prime target of AIDS, racially charged tension has increased over the role that leading AIDS service agencies should play and where resources should be invested, according to patient advocates and researchers.

"There is an absolute need to help those who are now finding themselves healthier," said Mario Cooper, the founder of Leading for Life, an initiative to increase political involvement in AIDS issues among blacks, and a board member of the Harvard AIDS Institute and Gay Men's Health Crisis. "But at the same time," she said, "the majority of those with HIV, increasing amounts of people of color, have absolutely no access to anything, period."

Viewing the availability of protease inhibitors as a new lease on life is premature for some, said Linda Campbell, executive director of the Minority Task Force on AIDS, the oldest minority AIDS service organization in New York.

"Many of our clients have been unemployed for long periods of time and because of despair and issues of inequity have turned to drugs as a way of dealing with the horrors of everyday life," Ms. Campbell said. "For our clients, we still have to think a lot about what supports that people out of the mainstream have. What does their future look like? What is the promise of the future for our clients, given the realities of how the local, state and federal governments are now rolling back their commitment to social support."

OFFICIALS at agencies like Gay Men's Health Crisis said they still have an important role to play for dying people, which include many low-income, minority and heterosexual clients. But they say they cannot ignore the changed reality. The group estimates that roughly 70 percent of its clients have taken protease inhibitors.

On a recent Tuesday evening, nearly 20 men and women filled a conference room at Gay Men's Health Crisis. Marla Hassner, a managing attorney there, was guiding them through their rights as HIV-positive employees. Several in the group scribbled notes as the talk turned from insurance benefits to pre-employment interviews and disclosure of HIV status to employers.

Ms. Hassner advised them against disclosing their HIV-positive status to employers, saying the only reasons to do so were if they applied for disability or sought a disability-related adjustment to their job.

"Often disclosing status causes more trouble than it is worth," she said. "Your employer is not your friend. The law doesn't require companies to treat us with compassion."

One man in an elegant gray suit wanted suggestions on how to ask prospective employers about disability benefits without disclosing his HIV-positive status. The lawyer recommended scooping up the descriptions of all the employer's insurance policies, rather than raising a red flag by asking for one on long-term disability.

As the men and women listened attentively, Ms. Hassner informed them that prospective employers cannot ask about their HIV status, nor can employers legally ask if they are taking medication, only if they are taking medication that might affect their ability to do their job.

They may be taking 30 pills a day, but if they are not experiencing any side effects, the answer would be no, she said.

Ambassadors In Waiting: Clinton Makes More Choices

By Al Kamen
Washington Post Service

WASHINGTON — The dust is beginning to settle on President Bill Clinton's choices for ambassadorships, with about three dozen embassy openings being tentatively filled at a White House meeting.

The choice for London appears to be Philip Lader, former head of the Small Business Administration, former White House deputy chief of staff and a longtime friend of the Clinton's.

If the decision, made Monday, stays firm, London would be something of a homecoming for Mr. Lader, who was a student at Oxford in the 1960s and is an honorary fellow of his college there. Mr. Lader has also lived in Australia, where he had been president of Australia's first public university.

Other coveted postings that were decided on include Ottawa, which people familiar with the meeting say will go to an Atlanta lawyer, Gordon Giffin. The best posting still open, Rome, is to go to Representative Thomas Foglietta, Democrat of Pennsylvania. The Paris ambassadorship was offered a month ago to Felix Rohatyn, the Lazard Freres investment banker.

All ambassadorships need to be cleared by the Senate.

Hattie Babbitt, the chief delegate to the Organization of American States and the wife of Interior Secretary Bruce Babbitt, is in line to be deputy administrator of the Agency for International Development.

Barbara Bodine, director of the office of East African Affairs at the State Department, is being considered for ambassador to Yemen. April Glaspie, a career Foreign Service employee who was recalled as ambassador to Iraq the day before Saddam Hussein's troops invaded Kuwait, is to go to Yemen on an interim basis before Ms. Bodine arrives. Ms. Glaspie is then to become consul general in Cape Town, a posting that does not require Senate confirmation.

A Boston minister, Charles Stith, a longtime activist who has served on Mr. Clinton's observer mission in South Africa's 1994 elections, is being talked about as ambassador to Tanzania.

Carolyn Curiel, a senior presidential speechwriter who had been a producer-writer for ABC-TV's Nightline program, is the choice for ambassador to Belize.

Steven Rattner, a former New York Times reporter and now a Wall Street investment banker, had been talked about as a candidate to run the Export-Import Bank and the Overseas Private Investment Corp. He now appears to be a leading contender to be deputy U.S. trade representative for Asia; Richard Fisher of Texas, a former senatorial candidate, is also in the running.

Bob Healy, a syndicated columnist and former executive editor and Washington bureau chief of the Boston Globe, is to go to Dublin soon for a senior job in the embassy on the U.S. Information Agency payroll.

TRAVEL UPDATE

French Strike Eases

PARIS (AP) — A strike by pilots at Air France forced the state-owned airline to cancel half of its short-haul flights Wednesday morning, although most other flights were maintained, a spokesman said.

Some pilots returned to work on the strike's second day, allowing the airline to guarantee 70 percent of its medium-haul flights and all its long-haul flights Wednesday morning out of Paris's Charles de Gaulle International Airport, the spokesman said.

Only 50 percent of Air France's morning short-haul flights out of Orly airport were running, the spokesman said.

Pilots' unions called a four-day strike through Friday to protest Air France's planned double-tier salary system for new pilots. One of the six unions pulled out of the strike Tuesday afternoon after reaching agreement on the hiring of new pilots.

Cathay Shifts Flights

HONG KONG (AFP) — Cathay Pacific Airways has rerouted long-distance flights for its twin-engine Airbus A330 after two in-flight engine failures, the company said Wednesday.

It also has modified the routes on Airbus A330-300 links because of the incidents involving Rolls Royce Trent 700 engines. In both incidents the planes continued their flights on one engine and were able to land safely, the company said.

But as a safety measure, Cathay Pacific is keeping its airplanes within one hour's flying time from an airport, compared with 138 minutes previously.

Common internal passports for Tanzania, Kenya and Uganda to facilitate cross-border trade will be issued starting in September, Francis Muthaura, a top East African regional official, has said, according to the Daily News of Dar es Salaam. *(AFP)*

Albright Sets in Motion a New U.S. Policy for Bosnia

By Michael Dobbs
Washington Post Service

WASHINGTON — The Clinton administration has announced the appointment of a special envoy for war-crimes issues as part of an effort to show that it is doing everything possible to ensure a lasting peace in Bosnia after the scheduled departure of U.S. troops next year.

The nomination of David Scheffer as ambassador-at-large for war-crimes issues came two days before a long-awaited policy speech on Bosnia by Secretary of State Madeleine Albright. The State Department announced Tuesday that Mrs. Albright would travel to Bosnia next week to pressure leaders of rival ethnic groups to comply with the 1995 Dayton peace agreement.

American officials said Mrs. Albright planned to announce a new policy of offering economic incentives to moderate Bosnian Serb leaders willing to carry out pledges made at Dayton, including the return of refugees driven from their homes during the three-and-a-half-year war. At the same time, an attempt will be made to put the economic squeeze on Bosnian politicians who refuse to cooperate.

"We hope to show over the next year and beyond that the people who go along with Dayton will live better, and those who do not will live worse," an Albright aide said.

During the first Clinton term, Mrs. Albright was one of the most outspoken proponents of strong action in Bosnia, and championed the cause of the international war crimes tribunal. But she has remained largely silent about the issue since becoming secretary, permitting the Pentagon and Defense Secretary William Cohen to make most of the political moves.

The latest steps seemed designed in part to reassert State Department primacy in the debate over how to implement the Dayton vision of a reunited Bosnia and prevent a return to wholesale ethnic violence after the departure of U.S. troops. Mrs. Albright has chosen a symbolic setting for her policy speech on Bosnia on Thursday. It will be delivered aboard an aircraft carrier in the Hudson River, in front of senior military officers.

Mr. Scheffer is a close Albright associate, who worked with her on the war crimes issue while she was the chief U.S. delegate to the United Nations. It was unclear, however, whether his appointment marked more than a symbolic shift in U.S. policy on Bosnian war criminals. The Pentagon is adamantly opposed to any attempt to use North Atlantic Treaty Organization troops to round up indicted war criminals such as the former Bosnian Serb president, Radovan Karadzic, who continues to exercise considerable political influence.

Based in The Hague, the international tribunal on the former Yugoslavia has been in operation for more than four years, but has not yet brought to justice any of the leaders who masterminded the war. Of the 76 people indicted by the tribunal for war crimes, mainly Serbs and Croats, 67 are still at large. Only one trial has been completed, of a relatively low-level Serb named Dusan Tadic.

American officials said Mrs. Albright was likely to visit the Bosnian Serb towns of Banja Luka and Brcko in addition to the Bosnian capital, Sarajevo. The largest Serb-controlled city in Bosnia, Banja Luka is the political base of the more pragmatic element in the Bosnian Serb leadership, in contrast to the hard-core nationalists in Pale.

State Department officials said Mrs. Albright is putting her prestige on the line by taking such a high-profile position on Bosnia and creating the new post of special envoy for war crimes.

At the same time, she also is exposing herself to a certain political risk if the new initiative on Bosnia fails to produce, and accused war criminals such as Mr. Karadzic continue to have huge political influence.

Prosecution Rests in Blast Trial

Reuters

DENVER — Prosecutors in the Oklahoma City bombing trial rested their case Wednesday after weaving a web of evidence to tie the defendant, Timothy McVeigh, to the attack.

The prosecution presented more than 130 witnesses in a little more than three weeks, portraying Mr. McVeigh as a right-wing extremist who hoped to spark a second American revolution by bombing the federal building in Oklahoma City.

Mr. McVeigh has pleaded not guilty to murder and conspiracy charges stemming from the April 19, 1995, blast.

The prosecution rested Wednesday after a survivor's emotional testimony about the "tornado-like" force of the blast.

WEATHER

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	25/77	13/55 pc	26/79	14/57 s
Amsterdam	14/57	7/44 pc	13/55	5/41 pc
Ankara	27/80	9/48 s	28/82	10/50 pc
Athens	30/86	19/66 s	29/82	16/61 pc
Barcelona	19/66	14/57 pc	22/71	15/59 s
Belgrade	27/80	10/50 pc	24/75	11/52 pc
Berlin	14/57	4/39 r	13/55	3/37 pc
Brussels	16/61	8/46 c	16/61	8/46 c
Budapest	17/62	9/48 r	18/64	10/50 sh
Copenhagen	11/52	2/35 pc	11/52	1/34 pc
Costa Del Sol	27/80	15/59 s	27/80	17/62 pc
Dublin	13/55	7/44 sh	14/57	9/48 c
Edinburgh	11/52	1/34 pc	11/52	3/37 pc
Florence	25/79	12/53 pc	25/79	14/57 s
Frankfurt	15/61	6/43 r	14/57	3/37 pc
Geneva	16/61	7/44 r	20/68	11/52 c
Helsinki	6/46	1/34 c	9/48	-3/27 pc
Istanbul	21/70	14/64 s	22/73	15/59 pc
Kiev	22/71	14/57 pc	21/70	11/52 r
Las Palmas	23/73	17/62 s	23/73	17/62 s
Lisbon	21/70	14/57 pc	22/71	14/57 c
London	15/59	12/53 sh	14/57	9/48 sh
Madrid	28/73	11/52 pc	30/86	12/53 s
Mallorca	19/66	10/50 pc	21/70	15/61 s
Milan	24/75	12/53 pc	25/77	14/57 pc
Moscow	14/57	11/52 r	19/66	14/57 r
Munich	17/62	7/44 sh	17/62	9/48 sh
Nice	21/70	13/55 pc	22/71	16/61 pc
Oslo	11/52	3/37 r	8/46	2/35 r
Paris	17/62	9/48 sh	16/61	10/50 c
Prague	18/64	8/46 r	13/55	5/41 sh
Reykjavik	8/46	3/37 pc	8/46	5/41 sh
Riga	11/52	4/39 r	11/52	-1/31 c
Rome	23/71	10/50 pc	23/73	13/55 s
St. Petersburg	8/46	6/43 r	10/50	2/35 sh
Stockholm	8/46	-2/29 s	6/43	-3/27 c
Strasbourg	18/64	9/48 c	18/64	10/50 sh
Tallinn	8/46	2/35 c	8/46	-3/27 pc
Tbilisi	23/73	14/57 r	26/79	15/59 r
Venice	24/75	13/55 pc	23/73	14/57 pc
Vienna	19/66	9/48 c	19/66	10/50 c
Warsaw	18/66	7/44 c	14/57	1/34 pc
Zurich	17/62	9/48 sh	18/64	11/52 c

Middle East

Abu Dhabi	36/95	24/75 s	37/98	23/73 s
Beirut	22/71	16/61 pc	24/75	17/62 s
Cairo	33/91	16/61 s	35/95	17/62 s
Damascus	27/80	11/52 s	29/84	12/53 s
Jerusalem	24/75	11/52 s	25/79	12/53 s
Luxor	42/107	17/62 s	41/106	18/64 s
Riyadh	40/104	27/80 s	39/100	26/79 s

Forecast for Friday through Sunday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America
A frontal system will move from the Plains Friday to the Great Lakes and Midwest Saturday and into the East Sunday. Showers and thunderstorms will accompany this system. Warm in the southern Rockies and southern Plains, while cooler air will move into the northern Rockies this weekend.

Europe
Showery and cool in London and Paris Friday, then turning drier and milder this weekend. Madrid and Rome will be warm with at least partial sunshine each day. Cool in Berlin and Warsaw with showers possible through Saturday; turning drier Sunday. Chilly across Scandinavia.

Asia
Tokyo and Beijing will enjoy a gradual warming trend into this weekend with at least some sun each day. On the other hand, both Koreas, including Seoul, and Manchuria will be cool and unsettled. Very warm and sticky in Hong Kong and Singapore with a thundershower around late each day.

North America

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Anchorage	18/61	5/43 pc	17/62	7/44 pc
Atlanta	27/80	14/57 pc	28/82	16/61 pc
Boston	17/62	8/46 c	18/61	9/48 pc
Chicago	21/70	9/48 pc	22/71	11/52 sh
Dallas	23/73	17/62 sh	25/79	17/62 t
Denver	21/70	10/50 pc	24/75	8/46 pc
Detroit	19/66	8/46 pc	22/71	10/50 pc
Honolulu	30/86	23/73 pc	31/88	23/73 pc
Houston	27/80	19/66 t	28/82	19/66 c
Los Angeles	23/73	12/53 pc	24/75	13/55 pc
Miami	31/88	23/73 t	30/86	22/71 pc
Minneapolis	21/70	11/52 pc	23/73	11/52 sh
Montreal	9/48	1/34 sh	11/52	2/35 s
Nassau	31/88	23/73 t	31/88	23/73 pc
New York	18/64	10/50 pc	22/71	12/53 s
Orlando	30/86	19/66 c	30/86	19/66 pc
Phoenix	33/91	21/70 s	33/91	19/66 s
San Fran.	19/66	11/52 pc	20/68	12/53 pc
Seattle	18/64	9/48 sh	19/66	10/50 sh
Toronto	9/48	2/35 c	15/59	4/39 s
Vancouver	18/61	7/44 sh	18/64	8/46 sh
Washington	21/70	9/48 pc	24/75	12/53 s

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Almaty	28/82	14/57 c	28/82	15/59 pc
Bali	33/91	21/70 s	32/89	21/70 s
Bangkok	32/89	24/75 sh	32/89	23/73 c
Beijing	29/84	13/55 s	27/80	14/57 s
Bombay	32/89	24/75 s	32/89	24/75 s
Calcutta	38/100	28/79 s	38/100	28/79 s
Chiang Mai	32/89	22/71 sh	32/89	21/70 c
Colombo	29/84	23/73 pc	29/84	23/73 pc
Hanoi	32/89	26/79 r	31/88	24/75 t
Ho Chi Minh	32/89	24/75 sh	32/89	23/73 t
Hong Kong	29/84	24/75 r	29/84	23/73 r
Islamabad	40/104	21/70 s	39/102	23/73 s
Jakarta	31/88	23/73 pc	30/86	23/73 pc
Karachi	39/100	25/77 s	37/98	25/77 s
K. Lumpur	33/91	23/73 pc	31/88	22/71 pc
K. Kinabalu	33/91	27/80 pc	33/91	25/77 pc
Manila	32/89	24/75 r	32/89	23/73 r
New Delhi	44/111	25/77 s	43/109	27/80 s
Phnom Penh	32/89	23/73 c	33/91	24/75 pc
Phuket	32/89	24/75 sh	32/89	23/73 c
Rangoon	32/89	24/75 sh	32/89	24/75 c
Seoul	23/73	10/50 s	18/64	10/50 r
Shanghai	21/70	13/55 c	24/75	18/61 s
Singapore	33/91	27/80 pc	33/91	26/79 pc
Taipei	23/73	22/71 r	25/77	21/70 r
Tokyo	19/66	13/55 c	23/73	14/57 sh
Vientiane	32/89	26/79 r	30/86	24/75 r

Africa

Algiers	26/79	13/55 s	29/84	17/62 s
Cape Town	17/62	8/46 s	21/70	8/46 s
Casablanca	22/71	14/57 s	22/71	14/57 s
Harare	32/89	12/53 s	32/89	12/53 s
Lagos	29/84	22/71 t	29/84	23/73 t
Nairobi	27/80	13/55 s	24/75	13/55 c
Tunis	24/75	12/53 pc	26/79	14/57 s

Latin America

Buenos Aires	8/46	-2/28 pc	10/50	2/35 sf
Caracas	31/88	25/77 pc	31/88	25/77 pc
Lima	24/75	17/62 pc	23/73	17/62 pc
Mexico City	24/75	12/53 pc	25/77	11/52 pc
Rio de Janeiro	28/79	20/68 pc	24/75	18/64 t
Santiago	17/62	-1/31 s	20/68	4/39 s

Oceania

Auckland	16/61	14/57 r	18/64	14/57 r
Sydney	18/64	12/53 c	18/64	12/53 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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Senate Votes, 64-36, to Ban an Abortion Procedure

Away From Politics

A Romanian Delta rocket has sent a Norwegian communications satellite into orbit. It was the first launch of a McDonnell Douglas Delta rocket from Cape Canaveral Air Station in Florida since the explosion of another Delta rocket. (AP)

A man convicted of abducting, raping and murdering a Lubbock, Texas, woman in 1979 was executed by lethal injection at the prison in Huntsville. A prison spokesman said Clarence Allen, 42, was convicted of killing Diane Kumpf by slashing her throat with a knife in July 1979. (Reuters)

A throat cancer patient died after setting himself on fire trying to light a cigar. He was unable to talk to help because his illness had taken his vocal cords. Abraham Hicks, 64, apparently ignited a piece of paper on a stove burner to light a cigar because his cancer left him unable to manipulate matches or a lighter. The flaming paper ignited his gauze bandages that were around his neck. (AP)

A train carrying senior Buddhist monks from Thailand flipped over on a California highway, killing seven people and injuring seven, state authorities and hospital officials said. The monks were traveling from Los Angeles to Southern California when their driver lost control of the train near Goalinga, south of San Francisco, the California Highway Patrol said. (Reuters)

THE AMERICAS

Ambassadors In Waiting: Clinton Makes More Choices

By Al Kamen
Washington Post Service

WASHINGTON — The dust is be-
ginning to settle on President Bill Clin-
ton's choices for ambassadorships, wit
about three dozen embassy openings
being tentatively filled at a White House
meeting.

The choice for London appears to be
Philip Lader, former head of the Small
Business Administration, former White
House deputy chief of staff and a long-
time friend of the Clinton's.

If the decision, made Monday, stays
firm, London would be something of a
homecoming for Mr. Lader, who was a
student at Oxford in the 1960s and is an
honorary fellow of his college there. Mr
Lader has also lived in Australia, where
he had been president of Australia's Fly
public university.

Other coveted postings that were de-
cided on include Ottawa, which people
familiar with the meeting say will go to
an Atlanta lawyer, Gordon Giffin. The
best posting still open, Rome, is to go to
Representative Thomas Foglietta,
Democrat of Pennsylvania. The Paris
ambassadorship was offered a month
ago to Felix Rohatyn, the Lazard Freres
investment banker.

All ambassadorships need to be
cleared by the Senate.

Hattie Babbitt, the chief delegate to
the Organization of American States
and the wife of Interior Secretary Bruce
Babbitt, is in line to be deputy ad-
ministrator of the Agency for Interna-
tional Development.

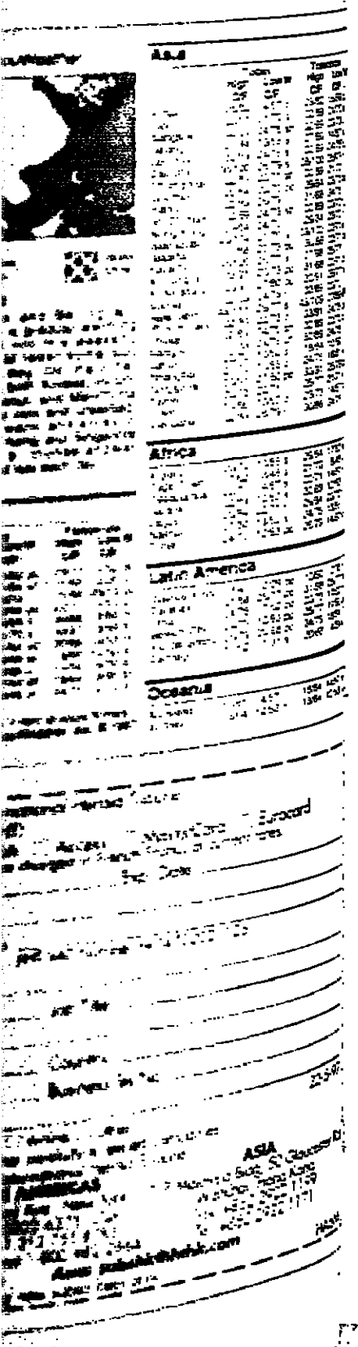
Barbara Bodine, director of the offic
of East African Affairs at the State De-
partment, is being considered for an
ambassador to Yemen. April Glaspie,
a career Foreign Service employee wh
was recalled as ambassador to Iraq th
day before Saddam Hussein's troop
invaded Kuwait, is to go to Yemen on
interim basis before Ms. Bodine arrives.
Ms. Glaspie is then to become consu
general in Cape Town, a posting tha
doesn't require Senate confirmation.

A Boston minister, Charles Stith,
who is a Baptist who has served on Mr
Clinton's observer mission in South
Africa's recent elections, is being talke
about as ambassador to Tanzania.

Carolyn Curiel, a senior presidentia
spokesman who had been a produce
senior for ABC-TV's Nightline pr
gram, is in the running for ambassador
to Ireland.

Sam Roberts, a former New Yo
Times reporter who now a Wall Str
columnist, had been tip
for ambassador to Tunisia, but the Ove
seas Private Investment Corp. is now appeari
a leading candidate to be deputy U.
trade representative for Asia. Richa
Holbrooke, a former senior
official, is also in the running.

Bob Healy, a syndicated columni
and former executive editor and Wash
ington bureau chief of the Bost
Globe, is to go to Dublin, seen for
some as a reward for his embassy on the U
Information Agency payroll.



Senate Votes, 64-36, to Ban An Abortion Procedure

By Katharine Q. Seelye
New York Times Service

WASHINGTON — The Senate has passed a bill that for the first time would ban a specific abortion procedure, but abortion opponents fell three votes short of the number needed to override an expected veto from President Bill Clinton.

The vote, 64 to 36, represented only incremental progress for abortion opponents. They picked up three Democrats — including Tom Daschle of South Dakota, the Democratic leader — who voted against a similar ban last year. With that shift, they gained some ground in the larger abortion debate, which they have been losing in the courts for more than two decades. Four Republicans voted against the bill.

Senator Rick Santorum, Republican of Pennsylvania, who has led the fight for the ban, said after the vote, "We just need two or three more next time who finally allow their eyes to open up enough to see what the truth of this procedure is all about, and eventually that will happen."

The debate on Tuesday, in which only a handful of senators spoke, was listless and anti-climactic and left the political dynamics essentially unchanged — even after abortion opponents brought a full-court press against the procedure, which critics call partial-birth abortion and doctors call intact dilation and evacuation.

Mr. Santorum has acknowledged that eliminating the procedure would not reduce the number of abortions because there are alternatives, but the American Civil Liberties Union contends the bill is written so vaguely that it would affect more than the partial-birth procedure.

The momentum had seemed on the side of abortion opponents. A dozen states have enacted their own bans on the procedure, in which a fetus is partially delivered and its brain is vacuumed out so the skull can be collapsed and the head can be delivered.

In April, an advocate for abortion rights admitted that he had lied about the rarity of the procedure, which he said is performed more frequently and on healthier babies and mothers than he and his colleagues had suggested.

Abortion opponents spent more than $1 million in recent weeks on advertising in eight states to sway potential swing senators, and on the eve of the vote, the prestigious American Medical Association, which had never taken a position on an abortion bill before, endorsed the ban.

Thinking that the tide was against them, abortion-rights advocates began the day so dispirited that they mounted no challenge, letting the clock tick during most of their allotted debate time without a single senator on the floor making their case.

In the end, though, the progress by the abortion opponents seemed so small that abortion-rights advocates claimed victory themselves — even as the Senate passed a bill that they viewed as a serious incursion into rights guaranteed by the Supreme Court.

The Senate has never mustered a two-thirds majority against abortion since the Supreme Court legalized it in 1973, although a majority of senators oppose abortion.

And the White House reaffirmed Mr. Clinton's intention to veto the ban again, saying it still does not provide enough safeguards to protect a woman's health.

Because the Senate changed the bill to win the medical association's endorsement, the measure now goes back to the House, which passed the ban earlier this year with five more votes than needed to override a veto.

Greg Gibson/The Associated Press

Trent Lott, the Senate majority leader, outside the White House: 'She is being badly abused.'

A Dogfight Over the Adulterous Pilot

Majority Leader to Take Up Her Cause if Court-Martial Goes Ahead

By Tamara Jones
Washington Post Service

MINOT AIR FORCE BASE, North Dakota — The Pentagon halted the adultery trial of the military's first female B-52 pilot before it could begin here so that the air force secretary could have more time to decide whether to grant Lieutenant Kelly Flinn an honorable discharge instead.

The Senate majority leader, Trent Lott also waded into the issue, telling reporters Tuesday on the steps of the White House, "I think she is being badly abused."

He said he would take up Lieutenant Flinn's cause with Defense Secretary William Cohen unless "it's going to be worked out."

"The Pentagon is not in touch with reality on this so-called question of fraternization," the Mississippi Republican said.

"I don't understand why she is being singled out and punished the way she is," he added. "I think at the minimum she ought to get an honorable discharge."

Lieutenant Flinn, who is 26 and single, had been scheduled to be court-martialed Tuesday on charges of adultery and fraternization in connection with two affairs the air force says she had over the past year. One was with an enlisted man who is single, the other with a married civilian. She also is charged with lying to investigators and disobeying an order to stay away from the married man. She faces up to 9½ years in prison if she is convicted.

Lieutenant Flinn has requested that she be allowed to resign with an honorable discharge.

The decision by the air force secretary, Shelia Widnall, is unlikely to put an end to the issues raised by the court-martial.

Many civilians and members of the military services contend that the air force has gone too far. But Pentagon officials defend the military criminal code, which makes adultery illegal.

"We demand great sacrifice for the men and women who come in to the military," Mr. Cohen said Tuesday on an ABC news program.

"There are reasons for maintaining these high standards in order to have discipline and morale," he said. "The important thing is that we have these standards uniformly applied and not engage in any selective enforcement."

The Flinn case and recent incidents of sexual harassment in the military have prompted congressional debate about whether letting women and men undergo basic training together is a good idea.

Judges Are Told to Keep Jurors' Focus on Evidence

By Benjamin Weiser
New York Times Service

NEW YORK — Stepping into a legal debate with racial and political overtones, a federal appeals court has declared that judges have a duty to make sure jurors do not ignore the evidence or law in a case and instead impose their own values to acquit or convict a defendant.

The ruling by the court of appeals for the second circuit in Manhattan offered the strongest denunciation yet by the federal courts of the practice known as "jury nullification," in which a juror might vote, for example, to acquit a defendant for racial reasons, rather than considering the strength of the case against him.

Calling such an action "a violation of a juror's sworn duty to follow the law as instructed by the court," Judge Jose Cabranes wrote for a unanimous three-judge panel that "trial courts have a duty to forestall or prevent such conduct" by admonishing or even dismissing jurors from a case.

The decision stemmed from a drug case tried in Albany, New York, in which jurors complained to the judge that one juror, the only black member of the panel, appeared opposed to applying the drug laws in the case, believing that the defendants had "a right to deal drugs," the opinion said.

After interviewing the jurors, the trial judge concluded that the black juror felt that the defendants "were in a disadvantaged situation" and would not vote to convict "no matter what the evidence was." The judge removed the juror and the 11 remaining jurors voted to convict.

In its ruling Tuesday, the appellate court actually overturned the convictions, saying that the juror in this case may truly not have been convinced of the defendants' guilt and that the judge was wrong to conclude that he was disregarding the law. But the appeals court said the judge was right to investigate the juror's motivation, and used the case to take a strong stand against nullification.

"We categorically reject the idea that, in a society committed to the rule of law, jury nullification is desirable, or that courts may permit it to occur when it is within their power to prevent," Mr. Cabranes wrote.

The decision comes as the legal community is embroiled in a debate over race and the justice system, and whether it is ever appropriate for jurors to intentionally disregard the law, in acquitting or convicting, as a form of protest.

The appellate court noted that jury nullification has deep roots in U.S. jurisprudence. It protected fugitive slaves from being sent back to the South in the period before the Civil War, as northern juries refused to convict. But the court noted that there were also "shameful examples of how nullification has been used to sanction murder and lynching."

Gephardt Breaks Ranks on Budget

By Eric Pianin and John E. Yang
Washington Post Service

WASHINGTON — Richard Gephardt, the leader of the minority Democrats in the House, has denounced the balanced-budget and tax-cut agreement President Bill Clinton negotiated with congressional Republican leaders.

The House decisively passed the measure Wednesday.

Using rhetoric that recalled past budget battles between Republican White Houses and congressional Democrats, the Missouri Democrat said the agreement favored the wealthy with its tax cuts, did not spend enough on children's health, education, roads and bridges, and was based on economic assumptions that were too optimistic.

"This budget agreement is a budget of many deficits — a deficit of principle, a deficit of fairness, a deficit of tax justice and, worst of all, a deficit of dollars," said Mr. Gephardt, who stood alone among Hill Democratic leaders in his opposition. "I don't think this budget is fair."

Mr. Gephardt's speech did nothing to slow the efforts of Republican leaders and the White House to rush the complex, five-year balanced-budget plan through Congress before the start of a Memorial Day recess on Friday.

The House worked through the night to complete work on a budget resolution that embodies the outlines of the plan, while the Senate launched what was certain to be a more protracted debate.

However, Mr. Gephardt's speech was an important step as he attempts to develop a political rationale for a possible presidential race in 2000 and offer an alternative to Mr. Clinton's effort to govern from the political center.

Next week, Mr. Gephardt will further highlight his differences with Mr. Clinton and Vice President Al Gore — Mr. Gephardt's chief rival for the Democratic presidential nomination — with a speech outlining his opposition to extension of China's trade privileges.

Mr. Gephardt's opposition is all the more remarkable because his top lieutenant and philosophical soul mate, the House minority whip David Bonior of Michigan, spoke out in support of the budget plan.

During a meeting between the congressional leadership and Mr. Clinton at the White House before the vote, officials said, Mr. Gephardt raised his disagreements on the budget but did not announce his opposition or challenge the president.

In his speech, Mr. Gephardt insisted that his break with the administration and the Republicans over the budget "is not politics" and is not about "some election."

But Richard Arney of Texas, the leader of the Republican majority, dismissed Mr. Gephardt's stance as political posturing. "He has positioned himself excellently to command the liberal base of the Democratic Party in the primaries," Mr. Arney said. "I think from his point of view it is a wise decision."

The budget agreement forged by White House and Republican and Democratic negotiators over the past two months and finally committed to paper last Friday would eliminate the deficit by 2002. It calls for substantial entitlement savings, including $115 billion in cuts in Medicare, and net tax cuts of $85 billion over five years.

In all, the plan claims $320 billion of deficit reduction over five years, with most of the savings coming from Medicare and other entitlement programs and lesser cuts in domestic and defense spending.

But the net savings would total only $204 billion, after deducting the revenue losses from the tax cut and $31 billion of domestic spending initiatives demanded by the administration.

POLITICAL NOTES

Congress Beaches The UN Debt Boat

WASHINGTON — The Clinton administration's proposal to pay $1 billion in dues owed to the United Nations has run aground in Congress. Republicans are insisting on paying only some of the debt, over a longer stretch of time, and only after the United Nations agrees to a series of demands.

Proposals circulating in the House and the Senate would require everything from permanently reducing Washington's annual dues, while raising China's, to slashing the expense accounts of ranking officials at the organization's headquarters in New York.

Under the proposals, which have the backing of the Republican leadership in both houses, the United Nations also would have to reimburse the cost of American military equipment and support for peacekeeping operations, to impose still more budget restraints, and even to allow the General Accounting Office, the investigative arm of Congress, to check the organization's books.

If the Republicans have their way, the United States will pay the back dues over as many as five years instead of the two years proposed by the administration. The president would first have to certify to Congress that the United Nations had met each condition. *(NYT)*

White House Averts Documents Battle

WASHINGTON — The White House has averted a possible citation for contempt of Congress by acceding to most Republican demands for subpoenaed documents in a House investigation of campaign finance abuses.

The White House counsel, Charles Ruff, agreed to produce 2,000 pages of documents immediately, to provide uncensored versions of previously submitted documents by May 28 and to produce other remaining subpoenaed documents to House investigators by June 13. "The White House is committed to providing the committee with information responsive to its subpoenas," Mr. Ruff said in a letter to Representative Dan Burton, Republican of Indiana.

He repeated past White House assertions that some subpoenaed information was privileged, but agreed to provide "logs" that described it so House investigators could decide whether they needed it. *(WP)*

A Fashion Statement

WASHINGTON — Mr. Clinton accused the nation's fashion industry on Wednesday of glamorizing heroin use in photography to sell clothes. "The glorification of heroin is not creative, it's destructive," he said.

The president said heroin was becoming the drug of choice on college campuses and elsewhere, in part because of the pictures young people see.

He said some fashion leaders were "admitting flat-out that images projected in fashion photos in the last few years have made heroin addiction seem glamorous and sexy and cool." And, he added, "as some of the people in those images start to die now, it's become obvious that is not true."

Mr. Clinton's attack was prompted by a New York Times article Tuesday about the so-called heroin-chic style of fashion photography. The article said that magazine editors were now admitting that glamorizing the strung-out heroin addict's look had a seductive power that caused damage. Applauding fashion leaders for acknowledging the problem, the president said, "You do not need to glamorize addiction to sell clothes." *(AP)*

Quote/Unquote

Ronald Reagan, 39, the former president's son, on his father's battle with Alzheimer's disease: "He's still my dad, and he's still himself, which you know is a good thing. Obviously, he has a certain diminished capacity for certain things. He has trouble finding words." *(AP)*

Away From Politics

- **An unmanned Delta rocket has** hurled a Norwegian communications satellite into orbit. It was the first launch of a McDonnell Douglas Delta rocket from Cape Canaveral Air Station in Florida since the explosion of another Delta in January. *(AP)*
- **A man convicted of abducting, raping and murdering** a Lubbock, Texas, woman in 1977 was executed by lethal injection at the state prison in Huntsville, a prison spokesman said. Clarence Allen Lackey, 42, was convicted of killing Diane Kumph by slashing her throat with a knife in July 1977. *(Reuters)*
- **A throat cancer patient died** after setting himself on fire trying to light a cigar. He was unable to call for help because his illness had cost him his vocal cords. Abraham Mosley, 64, apparently ignited strips of paper on a stove burner to light a cigar because his cancer left him unable to manipulate matches or a lighter. The flaming paper ignited gauze bandages that were around his neck. *(AP)*
- **A van carrying senior Buddhist monks from Thailand flipped over** on a California highway, killing seven people and injuring seven, state authorities and hospital officials said. The monks were traveling from Northern to Southern California when their driver lost control of the van near Coalinga, south of San Francisco, the California Highway Patrol said. *(Reuters)*

AMERICAN TOPICS

Shame! Framingham Knows How to Use It

The upright residents of Framingham, Massachusetts, had had all they could take: Vacant houses in their midst were an eyesore, their windows smashed, yards untended, inhabited sometimes by drug users.

So they borrowed a page from that tale of Puritan New England, "The Scarlet Letter" by Nathaniel Hawthorne, and used shame to get results. The town sent contractors, armed with plywood painted bright red, to board up the houses.

In the Hawthorne classic, a woman is forced to wear a red "A" to identify her as an adulteress. In Framingham's Operation Red, white banners were strung up to identify recalcitrant property owners.

Fifty-two houses have been red-boarded in two years, and owners have responded. All 52 have been renovated, sold or demolished.

"Every single one of them has been a success story," said the building commissioner, Lewis Colten. "Now we just call them and say we're going to use the Operation Red program, and they call us up immediately, and they want to know what they can do to fix the house up."

Framingham won an award for ingenuity from the Massachusetts Municipal Association, and building inspectors from other states have asked about the program.

Short Takes

German shepherds wearing tiny cameras and microphones will be keeping tabs on some inmates in Arizona. Sheriff Joe Arpaio of Maricopa County, who has forced prisoners to wear old-style striped uniforms and live in tents, is excited by this innovation.

"Inmates are going to know they are on Candid Dog Camera," he said.

Starting Thursday, the dogs will patrol the fences around the tents at the county jail. "They can pick up conversations and gather intelligence," Sheriff Arpaio said. "It's a great idea."

They're big and getting bigger; they're headed for huge; they're nuns! Americans, it seems, are buying nun puppets, nun greeting cards, even nun snow globes in droves. Squeak Toy Nun, "pious but not uptight," is a favorite; so are the 13 superhero nuns of the Warrior Nun comic book series.

What's driving the rush to embrace nunnery? "Baby boomers who went to Catholic school love them," Mark Pahlow, president of Accoutrements, which sells the Fighting Nun doll, told U.S. News & World Report. "Protestants are intrigued by the ritual. GenXers like the dark clothing."

But do nuns enjoy this irreverent interest? One of them, Sister Margaret Traxler, said, "I am not a nunny bunny." But Sister Christelle Macaluso, who has her own Fun Nun Web site on the Internet, thinks it's all to the good: "You don't want the idea of a fun nun to be an oxymoron, like 'honest politician.'"

International Herald Tribune

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Jakarta Blames Far Left For Unrest in Campaign

But Opposition Activists Say Rigid Controls Are Behind Rioting Before Vote Next Week

Compiled by Our Staff From Dispatches

JAKARTA — The Indonesian authorities are blaming a far-left group for street violence in the campaign leading to general elections next week, but opposition activists said Wednesday that the government's rigid political controls were aggravating the unrest.

Lieutenant General Syarwan Hamid, head of the sociopolitical section of Indonesia's powerful and politicized military, was quoted by the official Antara news agency as blaming the illegal left-wing People's Democratic Party, or PRD, for the campaign disturbances.

"I have come to the conclusion we must suspect the PRD as being behind the acts of violence," General Hamid told a closed-door meeting of media editors.

"The phenomena and indications of the PRD's involvement in the riots are there," he said, a reference to a number of leaflets found at campaign rallies advocating replacing the government and current political laws, including those which give the military a powerful role in internal affairs.

But protesters told reporters Wednesday that they had taken to the streets out of frustration with strict controls that have limited campaign activities. And analysts and diplomats cited increasing disparities between the rich and the poor as well as the lack of escape valves to ease the frustration.

"Despite what the World Bank says about Indonesia's development, there is a considerable gap in income levels," one diplomat said Wednesday. "This had led to a lot of tension."

Indonesia allows only three political parties — the ruling Golkar, the Muslim-based United Development Party and the Christian-Nationalist Indonesian Democratic Party — to contest elections. All of them are required to swear to abide by state ideology and refrain from open criticism of the government and the political system.

General Hamid had also blamed the PRD for riots that broke out in Jakarta in July last year after Megawati Sukarnoputri, the leader of the Democratic party who is the charismatic daughter of the founding president, Sukarno, was ousted by a government-backed faction.

The government has not acknowledged any deaths in the violence, although General Hamid was quoted by the Kompas daily on Wednesday as saying 110 people had died in accidents during the campaign.

General Hamid said 83 people had died in traffic accidents and 27 drowned when their boat sank on the way to a Golkar rally.

Most of the violence since the start of the campaign has stemmed from clashes between supporters of the United Development Party and Golkar. United Development, whose ranks have been swelled by a growing informal alliance between its supporters and those of Mrs. Megawati, has also clashed several times with security forces.

On Wednesday, troops and riot policemen broke up a street battle between hundreds of Muslim students and supporters of the Golkar Party.

The brawl erupted when a convoy of Golkar supporters stopped outside an Islamic college at Ciputat in southern Jakarta after they were jeered by students, witnesses said. Several people were injured.

Later, Antara said Golkar officials had canceled campaign meetings in eastern and southern Jakarta to guard against more violence.

In Pekalongan in central Java, the scene of serious clashes on Tuesday, witnesses said United Development supporters had attacked a public bus carrying Golkar supporters among its passengers on Wednesday.

Windows were smashed and the bus was overturned, the witnesses said, but there were no reports of injuries or arrests. The town was otherwise calm in the face of heavy security patrols.

The election campaign ends on Friday, giving a cooling off period before the country's 125 million eligible voters go to the polls May 29.

The Australian and U.S. embassies have advised their citizens living in Jakarta to be watchful for the possibility of more violence, citing widespread clashes in the capital and elsewhere on the country's main Java island over the last four days.

At stake in the election are 425 seats in the 500-member Parliament, which will help choose Indonesia's president next year. The other 75 seats are allocated to the military.

President Suharto, 75, is expected to seek a seventh term. *(Reuters, AP)*

Nadiy Mamir/Agence France-Presse

A family in Chittagong erecting a hut on a mud pile. The government wants more concrete cyclone shelters.

Shelters Kept Bangladesh Toll Low

Compiled by Our Staff From Dispatches

RAMGATI, Bangladesh — Hundreds of concrete shelters helped keep the death toll relatively low in a cyclone that hit Bangladesh this week, government officials said Wednesday.

Thousands are often killed in a storm of such a magnitude — with winds of up to 200 kilometers an hour, or 125 miles an hour — but the official government death toll Wednesday stood at 112.

That toll could rise, however, because many fishermen who were at sea when the storm struck Monday were still unaccounted for. The United nations Department of Humanitarian Affairs put the toll at 200.

Alerted by government warnings and helped by 30,000 volunteers, people flocked to the 700 concrete shelters that have been built with foreign aid since 1991, when a storm of similar ferocity killed 138,000 people.

The worst cyclone on record in Bangladesh was in November 1970, when at least 500,000 people died in the low-lying coastal regions.

Experts say the lack of shelter in the earlier storms was a contributory factor in the high death tolls, along with deforestation of the coastal area. Trees had provided protection against tidal surges.

Prime Minister Hasina Wazed said the number of cyclone shelters needed to be more than doubled to at least 2,000, but did not say whether the government would embark on a building program.

The storm, the seventh-most devastating in 40 years here, destroyed or damaged 400,000 homes, the government said, and left 1.5 million people without shelter. Experts working for relief agencies in the region said it could take a week a more before a full picture of the devastation emerged. Some areas were still cut off.

Agriculture Ministry officials said the rice crop largely escaped damage. But the storm killed cattle, smashed bridges and uprooted trees. It also cut a swath through thickly housed areas at Cox's Bazaar and Chittagong.

The ministry reported acute water shortages in Chittagong, the second largest city in the nation, because of disruptions in electricity.

Thousands of rescue workers and 1,043 medical teams in two disaster zones set up camps to help 7,000 injured people and to take preventive measures against epidemics.

The storm surprised people in the region because it lasted so long — up to 15 hours, compared with four hours in the devastating 1991 storm — and kept swinging back unpredictably. People had to remain without food or water in the overcrowded shelters.

Another reason for the relatively low death toll, officials said, was that the storm struck during the day and at low tide, avoiding major flooding.

(Reuters, AP, AFP)

Australia Cuts Immigration Quotas, Citing Joblessness

Reuters

MELBOURNE — Australia cut its annual immigration intake on Wednesday for the second consecutive year, citing concerns over unemployment.

Immigration Minister Philip Ruddock said the number of immigrants allowed into the country from July to June 1998 would be cut more than 8 percent, to 68,000 from 74,000 in 1996/97, with a shift in focus to work skills instead of family reunion.

"The government believes that because of high levels of unemployment, a further reduction in migration is desirable at this time," Mr. Ruddock said.

Mr. Ruddock denied that the government was bowing to pressure from Pauline Hanson, a politician who has demanded a ban on immigration.

The restrictions were "not a response to the comments of Pauline Hanson," Mr. Ruddock said. "If it were a response to Pauline Hanson there would probably be no program at all."

Voters have flocked to Miss Hanson's newly formed One Nation Party, which opinion polls now rank as potentially the third force in Australian politics, ahead of the Australian Democrats.

Australia's unemployment rate has remained above 8.5 percent for more than a year, and the government has forecast little improvement over the next year.

Prime Minister John Howard, who touched off a dispute over race in 1988 when he criticized high Asian immigration levels, cut immigration levels just months after winning office in March 1996, when he announced an 11 percent reduction for 1996/97.

Under Mr. Howard's administration, the proportion of immigrants allowed into Australia for their work skills has jumped to more than half of the total number from one third in the last year of the former Labour government.

The number of immigrants allowed into Australia for family reunions — which have favored Asian migrants in recent years — will fall to 47 percent of the total in 1997/98 from almost 70 percent in 1995/96.

"The government has further strengthened the emphasis on the skilled intake, while maintaining a commitment to bona fide immediate family migrants," Mr. Ruddock said.

BRIEFLY

Douglas E. Curran/Agence France-Presse

RAJIV GANDHI RECALLED — Sonia Gandhi, left, and her daughter Priyanka at a memorial to the prime minister who was slain in 1991.

Taleban Says It's Battering Rivals in North Afghanistan

ISLAMABAD, Pakistan — The Taleban militia and its new allies hammered away at a warlord's battered front line in their effort to control the northern third of Afghanistan, Taleban officials said Wednesday.

The Islamic Taleban fought General Abdul Rashid Dustam's forces on the edge of his home province, Jowzjan. The anti-Taleban alliance was taking a beating on a second front, in central Bamian Province, and lost a strategic pass, according to a Taleban spokesman in Pakistan.

The anti-Taleban alliance — and with it General Dustam's northern empire — began to crumble Monday when a key general defected to the Taleban with thousands of soldiers and several key commanders.

General Dustam's ally, Ahmed Shah Masoud, has sent reinforcements to help bolster General Dustam's western flank, a spokesman said. *(AP)*

Cooling the Kurils Feud

TOKYO — Russia will withdraw some of its troops from islands at the heart of a territorial dispute with Japan, the head of the local government of the islands told Japanese reporters.

Vladimir Zema, chief of the South Kurils District, told the reporters visiting the islands that the two army units on Kunashiri would be pulled out by the end of June, the daily Asahi Shimbun reported Wednesday. The reporters were accompanying the Hokkaido governor, Tatsuya Hori.

The dispute over the islands north of Hokkaido, called the Kurils by Russia and the Northern Territories by Japan, has prevented the countries from signing a World War II peace treaty. Russia has 3,500 troops on the islands. *(Reuters)*

Manila to Battle Abductors

MANILA — President Fidel Ramos ordered the army Wednesday to take over the campaign against kidnapping gangs in the southern Philippines after a senior aide admitted the situation had worsened.

Interior Secretary Robert Barbers recommended the use of the army, saying bigger and better-equipped forces were needed to fight criminals and rebels who have kidnapped 38 people, mostly businessmen, in the region since January, the presidential palace said. "Insurgents and other lawless groups have resorted to kidnapping to advance their cause and to destabilize local society," Mr. Barbers said in his report to Mr. Ramos. *(Reuters)*

Seoul Specifies Food Offer

SEOUL — The Red Cross of South Korea said Wednesday that it would offer 1,000 metric tons of flour to North Korea at a meeting with the North's Red Cross in Beijing on Friday.

The last round of talks, on May 3 and 5 and also held in Beijing, broke down after the North demanded to know the exact amount of aid it could expect before discussing moves to speed up delivery. The South has since agreed to reveal the size of its donation, worth $392,000. *(Reuters)*

Personals

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EUROPE

A Harmony Erupts on Euro as French Vote Nears

By Craig R. Whitney
New York Times Service

MONTPELLIER, France — President Jacques Chirac wanted this Sunday's legislative elections to give him a mandate to go ahead with an economically demanding plan to create a common European currency by 1999.

But as the campaign draws to a close, both the government and the opposition are singing mostly the same tune about the new money, one that hardly sounds like music to German ears.

"When Europe was synonymous with economic growth and prosperity, people were enthusiastic and everybody wanted to join it," the Socialist Party leader, Lionel Jospin, told a group of students in this university city this week. "For the past 10 or 15 years, there has been only a narrow accountants' vision of Europe, and a too-narrow concentration on the monetary issue."

Prime Minister Alain Juppe, the conservative whom Mr. Jospin hopes to replace, has sounded much the same note: "We must affirm that Europe, like other great economic zones of the world, has a vocation for strong growth. One of the ways of doing this is to make the euro an instrument for growth."

Many people in Germany fear that French fiscal softness could produce a euro weaker than the Deutsche mark, and the daily Frankfurter Allgemeine Zeitung warned Tuesday, as Chancellor Helmut Kohl met with Mr. Chirac in Paris, that a Socialist victory in the French elections would produce tensions in the Franco-German relationship.

Mr. Jospin and Mr. Juppe both said in campaign appearances this week that France did not want the euro to be so strong that it priced French products out of global export markets or strangled domestic economic growth. They also agreed that France did not want anonymous central bank bureaucrats to have the sole power of decision over European monetary policy, as the Germans have insisted.

The Socialist leader told the daily Le Monde that if he became prime minister, he would not feel bound by pledges Mr. Chirac and other European leaders agreed to at the end of last year, at German insistence, to keep a tight squeeze on inflation and budget deficits even after the euro comes into being. At Mr. Chirac's side, Mr. Kohl said Tuesday that he saw no reason to renegotiate the agreement.

Mr. Jospin told 2,000 cheering supporters that victory was within reach if the Socialists won at least 30 percent of the vote this Sunday. That is higher than the showing predicted by opinion polls last week, but it could put them and their Communist allies within striking distance of a majority in the 577-seat legislature

Lionel Jospin, the Socialist leader, and Prime Minister Alain Juppe are finding common ground on the proposed currency.

in the second round of voting June 1, he said.

"Do we insist that Italy and Spain have to be in the euro? They say that's what they want," Mr. Jospin said, meaning the government. "We said we didn't want the euro overvalued against the dollar, so that the United States could take advantage of it and grab markets from us, and they say that's what they want, too."

Mr. Jospin skipped over his own differences with the Communists, whom he would need to form a government; they oppose the common currency outright. Instead, the Socialist chief seemed to be trying to turn the campaign into a referendum on the unpopular Mr. Juppe, whom he blamed for driving unemployment up to 12.8 percent.

Mr. Juppe, meanwhile, has been trying to steal Socialist thunder. The euro, he promised, would stimulate strong growth in France and all over Europe, and monetary policy would not be left entirely to central bankers.

"We cannot leave everything up to the European central bank," he said. "There should be an economic government for Europe, as we have been asking for months and have now begun to obtain."

Mr. Juppe apparently was describing the periodic meetings of finance ministers and heads of government to discuss the progress of the euro, which is to be managed by an independent central bank. But he used precisely the words of the Socialist election platform — "an economic government for Europe."

France had to reduce its deficit in part because Germany insisted on strict independence for the central bank and deficit limits for countries that want to join the currency pact. The German insistence caused Mr. Chirac to put France through the economic wringer and raised doubts, fueled by skepticism in Bonn, about whether Italy and Spain would qualify.

Mr. Juppe did not, as Mr. Jospin claimed, say that those countries should be among the first to join, but he said that monetary union would rule out a repetition of the devaluations of the Italian lira since 1992 that have harmed French exports.

Germany, whose budget deficit this year may not be under the 3 percent of gross domestic product required to join the common currency, raised the possibility last week that a revaluation of the huge gold reserves of the Bundesbank might help do the trick, causing cynical amusement in Italy.

The revalued reserves, said to be almost $25 billion below their market value on the German central bank's books, would not affect the current federal budget, Mr. Kohl said, and no gold would be sold off to cut the deficit.

In France, conservatives say Mr. Jospin's campaign pledges to create 700,000 new jobs, reduce the work week from 39 to 35 hours and keep salaries at current levels are legerdemain, and this week Mr. Jospin acknowledged that he could not keep all these promises simultaneously.

Stunned Shopper Gets Harrods' Boot

The Associated Press

LONDON — Eilene Kadden, a confident size 18, contends that the Harrods department store here threw her out because of her size, newspapers reported Wednesday.

"It was so humiliating," Ms. Kadden was quoted as telling The Express. "A bodyguard took me by the arm and asked me to leave the store." Harrods said she had been expelled for violating the store's dress code.

The angry shopper, whose story appeared in at least five newspapers, was pictured on the front page of The Times standing in front of the department store in what appeared to be the offending outfit — brown leggings and a loose long-sleeved white shirt decorated with embroidered cacti.

"It was complete discrimination against larger women," the Los Angeles resident said. "I was looking classy and funky and smarter than other shoppers in worn jeans and dirty tennis shoes." Her leggings had been bought in Harrods, she added.

Ms. Kadden's mother, who is smaller but was similarly attired, was shopping with her and was not asked to leave, the newspapers said.

Jamie Wiseman/The Associated Press
Eilene Kadden, the expelled shopper, outside the store.

Pro-Westerner Chosen As Bulgaria's Leader

The Associated Press

SOFIA — Parliament elected the pro-Western Ivan Kostov as prime minister Wednesday and approved his cabinet and program. It envisages swift market reforms, membership in the European Union and NATO and reductions in crime and corruption.

The 240-seat chamber voted 179-54 to elect Mr. Kostov, whose two-party coalition won 137 seats in elections in April. In another ballot, the lawmakers voted 179-55 to approve Mr. Kostov's ministers.

Only the Socialists voted against him.

Mr. Kostov, 48, succeeds Stefan Sofiyanski, the popular interim prime minister, whose government managed to regain Western confidence in Bulgaria's will to make reforms.

Mr. Kostov, an economist, served as finance minister in two governments from 1990 to 1992. In 1994 he blended 15 parties into a united force to challenge the Socialists.

"Our goal is for Bulgaria to step into the new millennium as a civilized European country," he told Parliament, stressing the country's desire to join both the EU and the North Atlantic Treaty Organization.

He added that his government would pursue stability by introducing a board on July 1 to halt the financing of fiscal deficits by central-bank loans and to tie domestic money supply to foreign-exchange reserves through a fixed exchange rate.

Legal Threat to Turkey's Islamic Rulers

The Associated Press

ANKARA — In a major challenge to Turkey's Islamic political leaders, a prosecutor asked the country's highest court on Wednesday to ban the governing party.

The challenge to the Islamic Welfare Party added a new level of tension to the conflict between secularists and Welfare politicians, including the prime minister, who are seeking to put a stronger Muslim stamp on Turkey.

The prosecutor, Vural Savas, filed an 18-page indictment, accusing the party of violating Turkey's constitutional principle that the state is democratic and secular. "Welfare has become the center of anti-secular activities leading the country into a civil war atmosphere," Mr. Savas said.

Prime Minister Necmettin Erbakan, who is also Welfare's leader, said the indictment surprised him and did not reflect reality. "Welfare is a truly secular party. It is the guarantor of secularism," Mr. Erbakan said.

Yekta Gungor Ozden, chief justice of the Supreme Court, said the court would issue a decision in six months. Analysts called the challenge a serious one. "There seems to be enough legal standing for the constitutional court to shut down Welfare," said Yavuz Sabuncu, a professor of constitutional law.

The indictment refers to anti-secular statements made by Mr. Erbakan and party members. The prime minister has alarmed Turkey's establishment with his moves to ease bans on Islamic clothing and to promote Islamic education. In February, the National Security Council, whose members include top generals, issued directives to halt attempts to make the country more Islamic. Mr. Erbakan has generally resisted the orders.

The development on Wednesday came a day after Mr. Erbakan's coalition survived a censure motion in Parliament. The motion was brought by opposition parties, which accused the government of undermining secularism.

Labour Promises To Scrap by 2005 All Landmines

Reuters

LONDON — The new Labour government promised Wednesday to destroy all Britain's anti-personnel landmines by 2005, pursuing its pledge to put human rights at the center of foreign policy.

The previous Conservative government had also vowed to scrap its stocks of landmines but gave no target date.

It had also reserved the right to replace the weapons with "smart mines," which automatically detonate after a certain period, but the new government said it would shun these replacements.

"They have done enormous carnage, often to wholly innocent civilians, including children," Prime Minister Tony Blair told Parliament.

"The sooner that Britain gives a lead in this, the better. It is the right and the civilized thing to do."

Since it took power this month, Labour has stressed the need for action on landmines, which are blamed for killing 25,000 people a year and maiming many more.

The Red Cross estimates that there are 120 million mines in the ground across the world, many of them in such war-torn countries as Angola and Cambodia.

Mr. Blair said the government would ban the import, export and manufacture of landmines, but in reality this does not represent much of a policy change since Britain has not bought, sold or built the weapons for several years.

Analysts say the shift on smart mines is more significant since it rules out any backsliding.

Foreign Secretary Robin Cook said, however, that the armed forces retained the right to use landmines in exceptional circumstances.

Ex-Aide to Yeltsin, a General, Said to Be Held in Bribe Case

Reuters

MOSCOW — Military prosecutors issued an arrest warrant Wednesday for General Konstantin Kobets, a one-time aide to President Boris Yeltsin who is being charged with bribery, the Interfax news agency said.

Interfax said General Kobets, 57, dismissed by Mr. Yeltsin as a deputy defense minister and expelled from the armed forces, had been taken to a Moscow detention center for further investigation. The agency's report could not be confirmed immediately.

'Financial Brain' of the Army

David Hoffman of the Washington Post reported:

Mr. Yeltsin fired General Kobets on Tuesday after prosecutors alleged that he had taken an expensive country house as a bribe in return for a military housing contract. Prosecutors brought corruption charges Friday against the general, who is undergoing treatment for hypertension at a hospital near Moscow. He has called the charges "complete rubbish."

General Kobets was ousted from the Soviet Defense Ministry in 1991 after he associated himself with Mr. Yeltsin when Mr. Yeltsin was challenging the Soviet leader, Mikhail Gorbachev.

He was among those who stood behind Mr. Yeltsin during a 1991 Kremlin coup attempt and later served briefly as his military adviser. In September 1992, he was made chief military inspector and, according to the daily newspaper Kommersant, he was known as "the financial brain of the army."

The chief prosecutor's office accused General Kobets of bribery, abuse of office and illegal possession of a firearm. The charges stem from alleged attempts to steer army contracts to Lyukon, a company that was engaged to build housing for soldiers returning from Eastern Europe. Investigations by news organizations have suggested that much of the proposed housing never materialized.

The general is charged with receiving a $241,000 country house near Moscow in February 1995 in exchange for helping Lyukon obtain a contract.

Moscow Sorry for Halting Chechen Plane

Agence France-Presse

MOSCOW — Moscow apologized Wednesday for an incident in which Russian fighter jets intercepted a plane taking a Chechen delegation to an international conference in The Hague, and said the trip could go ahead.

The incident late Tuesday was the first dispute since the signing of a peace agreement on May 12 that formalized the cease-fire reached last August, ending the 21-month war between Russia and Chechnya. The agreement did not resolve the issue of Chechnya's independence, over which the war was fought, but said the question would be decided some time before 2001.

The Chechen vice president, Vakha Arsanov, who was heading the delegation to the Netherlands, described the incident as a "gross and shameful violation" of the peace accord and ordered all Russian officials out of Chechnya.

The plane was on its way from Grozny, the Chechen capital, to Odessa, Ukraine, where it was to make a stopover before continuing to The Hague for a four-day conference on the Chechen-Russian conflict.

Shortly after taking off, the plane was ordered to land in the southern Russian town of Mineralnoye Vody and submit to a customs inspection, or return to Grozny. The plane made the return.

Itar-Tass, the Russian press agency, quoted the Kremlin's representative in Grozny as saying that a team of Russian customs officials had arrived in the city and that the Chechen delegation was now free to leave for The Hague.

BRIEFLY

Albania to Vote on Monarchy

TIRANA, Albania — President Sali Berisha has made an important concession ahead of June elections, but it is uncertain if he can persuade the opposition to take part in the vote.

Mr. Berisha signed a decree Wednesday for a referendum on monarchy to be held together with the elections for a new Parliament. The opposition, led by the Socialists, has threatened to boycott the voting over an election law adopted by Parliament, which is dominated by Mr. Berisha's Democratic Party.

The caretaker prime minister in the all-party government, Bashkim Fino, threatened to resign after talks failed to resolve the differences. But the international envoy Franz Vranitzky, Prime Minister Romano Prodi of Italy and a senior U.S. diplomat, Assistant Secretary of State John Kornblum, persuaded him to stay on, a spokesman for Mr. Fino said Tuesday. *(AP)*

Labour Opens Inquiry on MP

LONDON — Prime Minister Tony Blair said Wednesday that he would take firm disciplinary action against a Labour Party member of Parliament if inquiries into allegations of bribery found any improprieties.

The lawmaker, Mohammed Sarwar, has acknowledged making a £5,000 ($8,270) loan to a rival candidate in the May 1 election in his Glasgow constituency.

Both the authorities and the party's National Executive are looking into allegations the money was intended as a bribe. Mr. Sawar is suing a newspaper over the allegations. "Whether or not there are police charges and convictions, if there is any impropriety found by us, there will be disciplinary action," an aide to Mr. Blair said. *(Reuters)*

Venice Separatists Go on Trial

MESTRE, Italy — In a courtroom used in the past for terrorist trials, eight Venetian separatists who took over the bell tower in St. Mark's Square went on trial Wednesday on charges that could being up to 20 years in prison.

The eight men, ranging in age from 23 to 55, are charged with hijacking, arms possession, occupation of a public place and armed threats in the May 9 incident. They hijacked a ferry and used it to transport an armored vehicle to the square. They occupied the tower for seven and a half hours before police commandos seized them.

The court rejected a defense petition that the defendants be released from jail. The next session of the trial was set for June 3. *(AP)*

U.S. Envoy to Austria Quitting

VIENNA — The U.S. ambassador to Austria, Swanee Hunt, said Wednesday that she would leave in the fall to teach at Harvard University's Kennedy School of Government.

Ambassador Hunt, 47, the daughter of the oil billionaire H. L. Hunt and a generous donor to the Democratic Party, was named to the post in 1994.

She charmed many Viennese during her tenure and is generally considered to have improved U.S.-Austrian relations. She gained prominence for an apology — "Sorry guys, no gold" — when she acknowledged last year that the United States had set up dozens of secret arms caches in Austria in the 1950s, apparently as protection against a Soviet invasion. The caches did not, as widely rumored, contain any gold bars. *(AP)*

PACK YOUR TRUNK

You could win an elephant and a trip to Thailand (on a Jumbo) simply by reading the IHT. Look out for the upcoming ads.

Kabila Drafts Cabinet; Students Protest Killing

Aide Dismisses Idea of One-Party Rule But Hints There's to Be No Early Vote

Reuters

KINSHASA, Congo — Laurent Kabila worked on the first government of the new Democratic Republic of Congo on Wednesday, but in the city of Kisangani students protested, in one of the first signs of popular opposition.

Officials said Mr. Kabila, whose rebel forces entered Kinshasa on Saturday, after President Mobutu Sese Seko fled the previous day, met his top advisers at his new riverside headquarters. He had promised to unveil the government by Tuesday.

Aid workers in the northeastern city of Kisangani said more than 100 students protested peacefully against the alleged killing by a Kabila soldier of a fellow student. They shouted "Tutsis go home!" aid workers added.

France, a longtime friend of Marshal Mobutu's, "solemnly" reminded Mr. Kabila that it was his duty to protect foreign nationals after two Frenchmen were killed by uniformed men in the capital Tuesday, but French ministers dismissed the killings as isolated incidents.

The French cooperation minister, Jacques Godfrain, hinted that France might be prepared to admit Marshal Mobutu for medical treatment. Marshal Mobutu, 66, who is in Togo, has prostate cancer.

Foreign leaders have been pressing Mr. Kabila for a broad-based government as a step toward multiparty elections.

"We want free and fair elections everybody should be proud of and participate in," said Mr. Kabila's foreign affairs adviser, Bizima Karaha. He said that Congo wanted a "genuine democracy," but that it would not be stampeded into elections for it was unprepared.

He dismissed suggestions that Mr. Kabila could embrace one-party, one-man rule. "We hate dictatorship," he said.

Voice of Congo radio said members of Mr. Kabila's alliance were "in consultation with political personalities, notably Etienne Tshisekedi," the most prominent member of the internal political opposition to Marshal Mobutu.

South Africa, which has taken a lead in nudging Mr. Kabila toward a peaceful democratic transition, announced plans to send experts to help him rebuild the shattered economy.

Mr. Kabila, 56, arrived in Kinshasa after dark on Tuesday from Lubumbashi, his provisional headquarters on the Zambia border.

His forces further consolidated their hold on the capital Wednesday, when two senior generals surrendered. General Amela Lokima, military governor of Kinshasa and deputy armed forces chief of staff, and General Michel Elessi, commander of Mobutu's forces in the capital, turned up at a hotel and were taken away by security officials, witnesses said.

French Demands Relayed to Kabila

Reuters

PARIS — France ordered its ambassador to Kinshasa on Wednesday to demand that Laurent Kabila, who has declared himself president, protect French nationals and refugees after two French businessmen were killed in the capital.

The Foreign Ministry spokesman, Jacques Rummelhardt, told a briefing: "Our ambassador in Kinshasa is going to contact the new Congolese authorities at the highest level to transmit the following message: first, to express our distress over the killing of our two compatriots and demand very firmly that measures be taken to ensure the French community's safety."

He said the French ambassador, Michel Rougagnou, also had been instructed to express France's deep concern at the fate of refugees and displaced persons in the east of Congo, formerly Zaire.

He also will demand that relief organizations and the United Nations be granted immediate access to the area.

In addition, he said, "We want the new authorities to respect the rules of democracy and organize free elections, monitored by the international community, very rapidly."

The two Frenchmen were shot dead Tuesday night by men in uniform.

David Guttenfelder/The Associated Press

Soldiers of Laurent Kabila's forces preparing to cruise Kinshasa's streets by truck Wednesday.

In Iran, a Contested Vote for President

By Stephen Kinzer
New York Times Service

TEHRAN — Iranians will take a modest but remarkable step toward a form of political pluralism on Friday when they choose a new president in the most competitive election held here since the 1979 Islamic Revolution.

The choice facing voters is narrow. A council of religious leaders selected the four candidates from 238 applicants, and the winner will have strictly limited powers. But as the two-week campaign period came to an end, many Iranians had the sense that something new was happening here.

"This election is very different, because in the past everyone more or less knew who was going to win before the voting," said Masoud Roustai, a 30-year-old engineer. "The candidates are still approved by clerics and they all come from the framework of supporting the Islamic revolution, but in some areas, such as cultural freedom and privatizing business, there are differences. It's a step toward more freedom."

No matter who wins the election, ultimate power will remain in the hands of shadowy councils of clergymen and especially with Ayatollah Sayed Ali Khamenei, the country's "supreme leader." Under the revolutionary constitution here, the president is seen as reflecting merely the will of the people, while Ayatollah Khamenei, who is not subject to election, reflects the will of God.

Through the state-controlled media and statements by officials close to him, Ayatollah Khamenei has led many Iranians to believe that he favors the candidacy of Ali Akbar Nateq-Nouri, who is now the speaker of Parliament. As a result, Mr. Nateq-Nouri is widely viewed as the favorite, but his principal rival, Mohammed Khatami, has won unexpectedly broad support from women, young people and others impatient for political change.

The other two candidates in the race, former intelligence chief Mohammed Mohammedi Rayshari and Sayed Reza Zavarei, a senior judge, have failed to win substantial support. Their weakness increases the likelihood that Mr. Nateq-Nouri will win a majority of votes and thereby avoid a run-off election. Early results are expected Sunday or Monday.

Many Iranians believe that Mr. Khatami, who was forced to resign his post as minister of culture and Islamic guidance in 1992 after conservatives charged that he was overly permissive, would seek to ease restrictions on private life and open the country to more commercial and cultural influences from abroad. But they are sharply divided on whether such policies are desirable.

Arab Sellers Of Land Are 'Traitors,' Arafat Says

The Associated Press

JERUSALEM — In an interview published Wednesday, Yasser Arafat justified the death penalty for Arabs who sell property to Jews, saying it was a legitimate defense against Israeli land confiscation.

A Palestinian land dealer was killed this month on suspicion of having sold land to Jews. Israel has accused the Palestinian Authority of involvement in the death, and Prime Minister Benjamin Netanyahu has said the death penalty provision was "monstrous."

The Israeli cabinet secretary, Dan Naveh, said Wednesday that the Palestinian Authority's decision to impose the death penalty "reeks of anti-Semitism."

Mr. Arafat, however, said the death penalty was not new to the West Bank. He said it was imposed by Jordan in 1967, after Israel captured the territory from Jordan.

He also said prosecuting those who sold land to Jews was a legitimate defense against Israeli policies.

"Israel has always confiscated land from Arabs and dispossessed them of their property," Mr. Arafat said in an interview with the daily Yediot Ahronot. "The land always goes from the Arabs to the Jews."

"How should we call our own who serve the Israeli policy of dispossession?" Mr. Arafat added. "They are isolated traitors and we will act against them according to the law. It is our right and our obligation to protect our lands."

■ Israeli Agency's Property Titles

Amid an increasingly deadly land struggle between Israelis and Palestinians, an Israeli public agency revealed Wednesday that it had title to a significant amount of property in the West Bank and Jordan, Agence France-Presse reported from Jerusalem.

The Jewish National Fund, a quasi-state agency which owns about 17 percent of all land in Israel, holds titles to about 1,000 hectares (2,500 acres) of land purchased in the 1920s northeast of Amman, said Haim Cohen, chairman of a fund subsidiary.

But a fund official said there were no plans to lay claim to the property. "We don't want to spark a crisis between our two countries," he said. Israel and Jordan signed a peace treaty in 1994.

Mr. Cohen said the fund also held titles to land in West Bank areas handed over to Palestinian control under the Oslo accords. "We hold major properties in Bethlehem, Jericho, Hebron and other strategic sites," he said.

MOW: *Better Now That High Tech Is Here*

Continued from Page 1

years to pay.

Some people, like the ABC news correspondent Sam Donaldson, just pay cash.

After moving to a new house in McLean, Virginia, with a bigger yard than the one he had, Mr. Donaldson bought a $7,000 John Deere tractor with an 18-horsepower engine, a transmission that lets him change gears without stopping and a vacuum that sucks up grass cuttings.

There was one other factor.

"You know what they say about grown men's toys," Mr. Donaldson said. "I don't own any electric trains. But driving this tractor, maneuvering it around, missing the rose bushes — this is fun."

Another sign that mowers have entered the realm of entertainment vehicles comes from Simplicity Manufacturing, a Wisconsin company that produced a $3,200 riding mower last fall with official Green Bay Packers football logos. The machines, whose grills look like football-helmet face guards, sold out, and soon local papers carried ads offering used ones for $9,000. Now the company has expanded the line to include nine pro teams and six college teams.

The Outdoor Power Equipment Institute in Alexandria, Virginia, projects that Americans will buy 1.2 million of the more powerful front-engine riding mowers this year, double the number sold just over a decade ago. The trade association president, Dennis Dix, said the trend would very likely continue as long as the economy stayed good and people had extra cash.

But walk-behind mowers are not about to disappear. The industry still sells a steady 5 million of them a year.

Mr. Bacon pointed to the basic $299 red Toro and nostalgically recounted how he had no problem cutting an acre and a half with one like that in the 1970s.

"That was the Cadillac of mowers then," Mr. Bacon said wistfully. "That's the low-end now."

DEAL: *Mania in Hong Kong Over Stock Offer by Beijing*

Continued from Page 1

quarter of the franchises for McDonald's Corp.'s 30 outlets in Beijing and the rights to 60 percent of ticket sales at a section of the Great Wall of China that draws 4 million tourists a year.

But they do know that the company carries the clout of some of the Communist leadership that will take control of this territory after June 30, and that this is not likely to hurt prospects for the company's future share price.

"I have no idea what this is all about, but my daughter told me I should apply," said Mr. Yiu as he stood in line outside Standard Chartered Bank to collect a form. "It's a kind of gambling."

The rewards can be instantaneous for the lucky few who receive even the minimum allocation of 2,000 shares. Institutional investors are already privately trading the stock at more than three times the 12.48 Hong Kong dollars ($1.61) offer price, betting the shares will rise further when they start trading next Thursday.

"Everyone's going berserk. They think it's free money," said Tim Greaton, who bought Beijing Enterprises shares for the funds he manages at Credit Lyonnais International Asset Management Ltd.

The enthusiasm could be justified. Shares in Gitic Enterprises Ltd., a construction company controlled by southern China's Guangdong Province, surged fivefold on its first day of trading in March. Several other China-backed companies, including Beijing North Star Co. and Shum Yip Investment Ltd., conferred similar immediate rewards.

Loren Lee, an accountant, collected 21 forms from Peregrine Capital Ltd., co-manager of the sale, by waiting in line seven times to pick up three at a time, the maximum Peregrine would allow.

"I'm getting applications for myself, for my co-workers, for my relatives and for my friends," she said. "It's a certain way to make a profit, because the selling price is just 12.48 dollars."

In fact, the offer price is already 62 percent above the value of the company's assets and is equivalent to 19.4 times the company's estimated earnings per share for the year. The 33 companies that make up Hong Kong's Hang Seng stock index trade at an average of 16 times their 1996 earnings.

"Beijing Enterprises is a good company, but the multiples and the price at which it's going to end up trading at in the market is pretty stretched on fundamentals," said Gary Coull, chairman of Credit Lyonnais Securities (Asia) Ltd. "At some stage, I think these deals being done right now will be the high-water mark of China fund-raising."

Indeed, there are some ominous precedents.

In 1993, investors put up a record $31 billion for a chance to buy shares of Denway Investment Ltd., a Chinese car manufacturer. The company has lost money every year since it sold shares, and its stock never returned to the 2.70 dollars peak it hit on its first trading day, tumbling as low as 34 Hong Kong cents last July.

The strong demand for Beijing Enterprises could also wreak havoc with Hong Kong's money supply as applicants withdraw billions of dollars from banks to pay for the applications.

The Hong Kong Monetary Authority, the territory's de facto central bank, said it reminded banks to be cautious in their lending to customers and would monitor the situation.

"If the market is lacking in liquidity, the HKMA will provide it," said Thomas Chan, a spokesman for the authority.

The authority can inject cash into Hong Kong's monetary system through open-market operations if needed, and banks can borrow money overnight by selling so-called exchange-fund notes. When the Gitic share sale drew a similar rush of applications in March, it drove three-month lending rates to a 15-month high.

HONG KONG: *Transparency Problems in View*

Continued from Page 1

up at China Everbright, the market could never have expected it to make a purchase on the scale of Hongkong Telecom and had not priced the transaction into the share price of Everbright's so-called red-chip subsidiaries, which are traded in Hong Kong.

Instead, shares of one of the subsidiaries, China Everbright Technology, soared 51 percent after the deal's announcement, then dropped sharply after an announcement last week that the subsidiary was not negotiating to buy the stake in Hongkong Telecom. The subsidiary's Chinese parent, China Everbright Holdings, which belongs to China's State Council and is not traded, is expected to pick up the tab for the acquisition.

On Wednesday, China Everbright Technology's shares rose 11 Hong Kong cents to close at 1.58 dollars (20 U.S. cents).

"The old days of Hong Kong being a bunch of colonial blue chips is gone," said Ian Wenham, head of research at BZW Asia Ltd. in Hong Kong. "The fact that you're getting more red chips is making life more interesting for research analysts."

Foreign banks in Hong Kong also are finding such activity interesting because Chinese companies are expected to need loans to finance some of their big purchases.

Red chips such as CITIC Pacific Ltd. and China Everbright, both controlled by China's State Council, are able to capitalize on their excellent political connections to get quick credit either before or after a big purchase.

CITIC, the Hong Kong-listed unit of China International Trust & Investment Corp., led the way when it made its first purchase of Hongkong Telecom shares in the late 1980s. At the time, it managed to arrange a syndicated loan with hardly any assets other than its political connections: Its chairman is the son of China's vice president.

Today, bankers are still lining up to lend to China in hope of obtaining more underwriting and possibly retail business on the mainland. "It's not that difficult to find obliging bankers," said an analyst at a U.S. brokerage who asked not to be named. "Nowadays it pays to be in the syndicate for these sort of deals. You're on China's good side."

After it paid $2.1 billion in January for a fifth of Hong Kong's biggest electric company, China Light & Power Co., CITIC found itself highly leveraged. It then quickly borrowed $1.62 billion from a syndicate made up of just five institutions: HSBC Holdings, Hang Seng Bank, Chase Manhattan Bank, Banque Nationale de Paris and J.P. Morgan Securities.

In Hong Kong's financial world, staying on China's good side has entailed hesitating to criticize the Chinese government's policies or companies. As the businesses of stock analysis and securities underwriting exist side by side, a harsh word about a Chinese company from an analyst could jeopardize fees.

FILM: *Russians Awash in Nostalgia*

Continued from Page 1

are layered with propaganda of the era. Their stilted socialist-realist message is far from the wild capitalism of the new Russia. In effect, Russians must root not only through the attic of their memory, but through that of a country and a system that no longer exist.

"This doesn't mean that people want to go back to that life," said Alexander Gelman, a playwright who had an important early role in the policy of glasnost, or openness, of the last Soviet president, Mikhail Gorbachev. "I think it's even to the contrary; this nostalgia means it's impossible to go back to that life. The more nostalgia there is, the fewer chances that society will return back.

"Nostalgia begins when there is no opportunity to turn back."

"These are good films, made to some kind of Hollywood standards," he continued. "They are sad, but not very sad. Or they have a happy ending. These are not films that show the truth of life. Since life right now is complicated and difficult, people watch these fairy tales with pleasure."

Russian television is blanketed with old Soviet movies of this genre. Four of the five most popular films shown on Russian television in 1996 were Soviet classics, according to Russian television market surveys.

The top-rated film was "Striped Voyage," a late 1950s comedy about tigers who are let loose accidentally on a transport ship. In second place was the 1984 American hit "Police Academy." In third was "Hard to Educate," a mid-1950s Soviet comedy about a girl who gets an assignment from her cell in the Communist Youth League, the Komsomol, to improve the morals of two fellows who are considered "difficult."

In fourth place was "White Sun of the Desert," about a Red Army soldier fighting in Central Asia during the Russian civil war, and ranked fifth was "Carnival Night," a 1956 musical in which a bureaucrat tries to cope with the carefree atmosphere of a New Year's Eve party.

Moreover, Russian television still frequently broadcasts such Soviet classics as "Cossacks of the Kuban," a 1949 movie about collective farm life set in a rural trade fair that is filled with sugary smiling faces and a holiday atmosphere. The devastation of Stalin's collectivization of agriculture never intrudes.

The film ignores the hardships of the period at the end of World War II and portrays the hard-working farmers as enjoying abundance. It opens with scenes of vast, golden harvests, mighty threshing machines and brightly singing workers that are familiar to generations of Russians, even if they were at odds with the reality of the era.

"We used to watch the same films with different feelings," said the writer Vladimir Voinovich. "With irritation, maybe with enmity. We refused to accept what they were trying to feed us. But now we watch them like fairy tales — the political message no longer matters. 'Cossacks of the Kuban' is kitsch of the Soviet times."

Palestinians Detain A TV Broadcaster

Washington Post Service

JERUSALEM — A Palestinian-American journalist, Daoud Kuttab, who has been fighting efforts by the Palestinian Authority to jam his broadcast of unflattering television debates, was arrested Wednesday after being summoned to see the police commander in Ramallah.

Hours later, after a one-day pause, the Palestinian self-rule authority resumed jamming Mr. Kuttab's independent station, which broadcasts uncut floor debates from the elected Palestinian legislature. In Wednesday's broadcast, lawmakers were criticizing Yasser Arafat's ministers for lavish use of cars and other perquisites of office.

ULSTER: *British and Sinn Fein Discuss Truce*

Continued from Page 1

Sinn Fein delegation, who was elected to the British Parliament on May 1, was less forthcoming.

But he made it clear that he was pleased to be talking to senior British civil servants who were now working for Mr. Blair's Labour government, not the departed Conservative government of John Major.

"We were very conscious that they are now working for a new set of employers, not a government that had a militaristic approach," he said. "There is a very strong desire in Sinn Fein to overcome these difficulties," he added, referring to the absence of a cease-fire and the entry of Sinn Fein to the formal peace talks that are to resume June 3.

Both Mr. McGuinness and Ms. Mowlam said they doubted that Sinn Fein would be allowed at the formal peace talks when they resume, an indication that they did not expect a new cease-fire before then.

The meeting Wednesday came only days after Prime Minister Blair surprised Northern Ireland politicians and strategists on both sides of the sectarian divide in this Protestant-dominated province by inviting Sinn Fein to renew contacts with the London government.

Since that statement, Britain has indicated clearly that it is ready to make some concessions to Sinn Fein to persuade it to produce a cease-fire.

The IRA has been inactive in the North since April 10, when it admitted that it had wounded a policewoman in Londonderry.

Tuesday night, Britain announced that it would move two IRA members from a prison on the mainland to one in Northern Ireland.

Sinn Fein has said that this kind of action will help persuade the IRA to restore the cease-fire it ended on Feb. 9, 1996.

While the British met with Sinn Fein on Wednesday, people were still voting in local elections important to all parties in this British province.

Politicians of the other parties grumbled that the television coverage given the event, showing Sinn Fein officials apparently trying to revive the peace effort, would gain them votes.

BRIEFLY

Swiss Extradite Rwandan for Trial

BERN — A man wanted by a United Nations tribunal in connection with the 1994 genocide in Rwanda has been extradited to face trial in Tanzania, Swiss officials said Wednesday.

The federal office for police affairs said that Alfred Musema left Geneva by plane for Arusha on Tuesday, escorted by two police officers. He is to face trial before the UN International Criminal Tribunal for Rwanda.

Once the director of tea factory in Rwanda, Mr. Musema was arrested in Switzerland in February 1995. He is accused of organizing the murders in 1994 of ethnic Tutsi who worked at the plantation. *(AP)*

Israeli Floats Plan To Control Water

JERUSALEM — Ariel Sharon, a leading hawk in the cabinet, has proposed annexing large parts of the West Bank to maintain Israeli control over water sources, a newspaper reported Wednesday.

Mr. Sharon, the infrastructures minister, raised the proposal at a secret meeting several months ago to consider the future of Israel's water supplies, the article in Ha'aretz said.

The meeting was attended by Prime Minister Benjamin Netanyahu; the finance minister; the agriculture minister and some experts.

Mr. Sharon demanded that even in areas handed over to Palestinian control, Israel should remain in charge of water sources. His plan would mean the annexation of about 50 percent of the West Bank. *(AP)*

Cuba Jails Dissident

HAVANA — A member of one of Cuba's small and illegal dissident groups has been sentenced to 18 months prison for contempt of the authorities and resisting the authorities, a dissident colleague says.

Ana Maria Agramonte was condemned at a trial last week and is now in prison, Odilia Collazo of the Human Rights Party said Tuesday. Miss Agramonte belongs to another group, the Nationalist Action Movement, and was arrested May 1.

Dissidents have said the authorities arrested a dozen of their colleagues around May 1, when Cuba celebrates international Workers' Day. *(Reuters)*

Arab Sellers Of Land Are 'Traitors,' Arafat Says

The Associated Press

JERUSALEM — In an interview published Wednesday, Yasser Arafat justified the death penalty for Arabs who sell property to Jews, saying it was a legitimate defense against Israeli land confiscation.

A Palestinian land dealer was killed this month on suspicion of having sold land to Jews. Israel has accused the Palestinian Authority of involvement in the death, and Prime Minister Benjamin Netanyahu has said the death penalty provision was "monstrous."

The Israeli cabinet secretary, Danny Naveh, said Wednesday that the Palestinian Authority's decision to impose the death penalty "reeks of anti-Semitism."

Mr. Arafat, however, said the death penalty was not new to the West Bank. He said it was imposed by Jordan before 1967, after Israel captured the territory from Jordan.

He also said prosecuting those who sold land to Jews was a legitimate defense against Israeli policies.

"Israel has always confiscated land from Arabs and dispossessed them of their property," Mr. Arafat said in an interview with the daily Yedioth Ahronoth. "The land always goes from the Arabs to the Jews."

"How should we call our own who serve the Israeli policy of dispossession?" Mr. Arafat added. "They are traitors and we will act against them according to the law. It is our right and our obligation to protect our land."

■ **Israeli Agency's Property Title**

Amid an increasingly deadly struggle between Israelis and Palestinians, an Israeli public agency revealed Wednesday that it had title to a significant amount of property in the West Bank and Jordan. Agence France-Presse reported from Jerusalem.

The Jewish National Fund, a quasi-state agency which owns about 17 percent of the land in Israel, holds title to about [illegible] dunams (2,500 acres) of land seized in the 1920s northeast of Jericho, Amram Cohen, chairman of the fund, said.

Mr. Cohen said there was no plan to sell the property. "I don't want to create a crisis between the two countries," he said. Israel and Jordan signed a peace treaty in 1994.

Mr. Cohen said the fund also owns property in the West Bank area that is under Palestinian control under the Oslo accords. He said major cities in the area, Jericho, Hebron, Nablus and Ramallah, would not be affected.

BRIEFLY

Swiss Extradite Rwandan for Trial

BERN — A man wanted by the United Nations tribunal in connection with the 1994 genocide in Rwanda has been extradited to face [illegible] Swiss officials said Wednesday.

The federal police office for police matters said Alfred Musema, the director of the Gisovu tea factory in Kibuye, Rwanda, was handed over to two police officers from the International Criminal Tribunal for Rwanda [illegible] before the U.N. Security Council Tribunal in Arusha.

Mr. Musema was arrested in February 1995 in Switzerland, where he had been living with his family since 1994. He is accused of organizing the massacre of ethnic Tutsi refugees in the plantation. (AP)

Israeli Floats Plan To Control Water

JERUSALEM — Ariel Sharon, the Israeli cabinet minister in charge of large parts of the West Bank, presented a new plan [illegible] Israeli control of water resources in the West Bank, Israeli radio reported Wednesday. The plan would [illegible] infrastructure and would [illegible] proposal [illegible] months ago to [illegible] the future of Israeli [illegible] the article [illegible]

Cuba Jails Dissident

HAVANA — A member of [illegible] and illegal dissident group [illegible] sentenced to a [illegible] statement of the [illegible] following the arrest [illegible] meetings with [illegible] was on [illegible] Tuesday [illegible] Collaborators [illegible] Tuesday [illegible] Action May 1 [illegible] arrested May 1 [illegible] Workers' Day [illegible] (Reuters)

세 계 화

THE KOREA SUMMIT

한 국

세계상의대회

1997

SAMSUNG DAEWOO HYUNDAI

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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Too Easy on Beijing

President Bill Clinton has renewed China's most-favored-nation trading status for another year, and for good reason. But his decision will trigger sharp opposition in Congress, also for good reason. Simply put, the Clinton administration has not made good on its promise to balance the granting of trade privileges with forceful representation of U.S. interests in other areas of the U.S.-Chinese relationship.

Most nations in the world enjoy most-favored status with the United States, allowing them lower tariffs on goods they send to America. To deny the status to China would harm many Chinese with whom America has no quarrel — not least in Hong Kong, set to revert to Chinese authority on July 1. Revoking the trading status is too blunt an instrument to address U.S. concerns with Chinese behavior in human rights, nonproliferation and other troubling areas. But granting it accomplishes nothing unless the administration addresses those concerns in other ways, as it once promised to do.

Mr. Clinton came to office vowing to attach human rights conditions to most-favored status to force the "butchers of Beijing" to improve their record. In 1994 he reversed course, arguing that granting the status without conditions would give the United States more leverage in the long run. Since then the Chinese record has worsened; according to the State Department, not a single Chinese dissident has escaped jail or exile, a record that even Leonid Brezhnev's KGB could not match.

In a letter to Congress in 1994, President Clinton said he had "cut the link" between most-favored status and human rights conditions — "but left human rights as a cornerstone in our relations with China." Unfortunately, only the first part came true.

Mr. Clinton said his administration would expand Radio Free Asia broadcasting to China, press China at the UN Human Rights Commission in Geneva, promote voluntary business principles for American firms in China, increase support for Chinese civic society, highlight the issue of Tibet in international forums and "intensify our high-level dialogue on human rights." On all but the broadcasting, the administration dropped the ball.

This year in Geneva it abdicated its leadership role, and there is little evidence that human rights play any significant role in the relationship. A bilateral agreement between China and the United States intended to discourage exports to America of goods made by prison labor has not been enforced.

The United States has a decided interest in maintaining good working relations with China, but it is worth recalling that such interests do not run only one way. About 2 percent of U.S. exports go to China; something like one-third of China's exports come to America. China never "de-links" commercial privileges from its political goals. If the administration is going to do so, at least it should, as promised, stand up for its goals in other ways.

—THE WASHINGTON POST.

Blair's Quick Start

Tony Blair, the self-assured prime minister of Britain's new Labour government, has set forth a plausible and interesting legislative program, blurred by fewer evasions than expected.

"The education of young people will be my government's first priority," said Queen Elizabeth in the speech that traditionally opens a new Parliament. With that unambiguous benchmark in place, Mr. Blair's team proposes the bold change of giving the Bank of England "operational independence" in monetary policy, the difficult task of devolving power to a Scottish Parliament and a Welsh Assembly, and the overdue objective of assuring "openness and transparency" in Britain's stubbornly secretive corridors of bureaucratic power.

The last item is of particular interest. The long-outdated Official Secrets Act has been an all-purpose cloak for incompetence, corruption and, in some cases, treason. Yet each new government, on assuming power, discovers how useful it is to threaten leakers and journalists with prison terms, and the sweeping law remains in place.

Advocates of openness note with justifiable concern that Mr. Blair proposes a needless white paper on a freedom of information measure. This step only invites long delay and bureaucratic scuppering. Similarly, the Labourites propose a national committee of inquiry into the future of higher education, which could slow the momentum of badly needed aid to schools whose libraries lack even copying machines. More explicit and more important are pledges to reduce class size, raise school standards and promote lifelong learning in workplaces, all keys to sharpening Britain's competitive edge and lowering jobless rolls.

The trick will be to achieve these goals, and to raise the quality of the neglected National Health Service, without raising taxes, as Labour has also promised.

But Mr. Blair has already shown himself a shrewd political manager. By proposing to give the Bank of England direct authority for setting interest rates to protect monetary stability, he offers a radical change that can help immunize his team from blame if a thriving economy begins to cool.

By the same token, the government's words on European monetary union and other foreign issues are deliberately anodyne to keep the focus on the domestic front burner. With a 179-seat majority, Mr. Blair has ample canvas on which to fill in the details on this promising rough sketch.

—THE NEW YORK TIMES.

Gephardt Is Right

House Minority Leader Richard Gephardt took the extraordinary step on Tuesday of breaking with the president and opposing the balanced budget agreement worked out between the administration and congressional Republicans. Mr. Gephardt said the plan would likely prove to be both illusory and regressive. He is right on both counts.

The large late-blooming tax cuts for which the plan provides are the reason. They will add to the deficit, particularly after the year 2002, when balance is supposed to be achieved. If the budget in fact is temporarily balanced, their likely effect will be to unbalance it all over again. That will exacerbate the pressure on the spending side of the ledger. If the Republicans, meanwhile, do as they have said they will, and as the agreement permits, the tax cuts will mainly benefit the better-off.

The president took note of the tax cuts in an interview with a group of columnists last week. He adopted what for him has become a classic posture, offering to lead his disaffected party in an effort to mitigate or undo what he himself had just done.

"Like I think it's a good thing to have a big fight over taxes," he told the columnists, suggesting that when the fight occurred they would find him in the lead. "That's good. That's a good thing to do to have this big argument."

But the whole point, as made by his critics, is that the president has not argued. On tax cuts, he folded early on. The Republicans wanted to cut taxes; so did he. He even wanted some though not all of the same kinds of cuts, only his would be smaller. He blurred if he didn't quite neutralize the tax cut issue in the campaign by this tactic. He also gave up so much ground that there is little left to fight about.

The argument long ago ceased to be about principle; they are into the difference-splitting phase. Nor is it even clear that the president cares that much about the outcome. "Let's have the argument and resolve it in a way that allows us to go on," he said the other day. "I just want to keep moving the country forward and keep the country pulled together ... not let the country become more divided again."

The implication is that the people, no doubt including Mr. Gephardt, who would sidetrack the deal, are pursuing parochial concerns at the expense of the greater good. But the greater good as this president defines it turns out too often to be what is best — meaning, easiest politically — for him.

The budget balancing plan is neither as tough as it ought to be nor as fair. Too many members are voting "aye," knowing better. Mr. Gephardt was right to pop the balloon.

—THE WASHINGTON POST.

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India Has to Do Better Than Politics-as-Usual

By Mira Kamdar and Sumit Ganguly

NEW YORK — Just when the government of India had succeeded in producing a budget last month that achieved the improbable result of pleasing both foreign investors and domestic political parties on the left, and on the very weekend when Pakistan's foreign secretary came to New Delhi for a rare meeting with his Indian counterpart, Indian politics brought the 10-month rule of H. D. Deve Gowda's United Front Coalition to an abrupt end.

The Bombay Stock Exchange index fell sharply on the news. But Inder Kumar Gujral and his team made it clear that continuity would prevail, the budget would be passed, and bilateral talks with Pakistan would not be derailed. The country brushed itself off and got on with its business.

Mr. Gujral is an excellent choice for prime minister. But can he last long enough to do what India, and the region, so desperately need done?

As foreign minister in the Gowda government, he was the driving force behind normalization of relations with Pakistan. He has pursued a love-thy-neighbor policy, known as the "Gujral doctrine," with Bangladesh, Sri Lanka and Nepal. He is committed to addressing India's pressing social problems, and to ensuring its successful integration into the global economy.

Last week in the Maldives, Mr. Gujral and his Pakistani counterpart, Mian Nawaz Sharif, had lunch and chatted. The conversation was extremely promising. In an important concession, Mr. Gujral agreed to put the highly charged issue of Kashmir on the agenda of future discussions.

In the interim, the two sides agreed to set up a hot line linking the offices of the prime ministers, to release some 200 detainees and to explore the possibility of Pakistan selling its surplus electricity to power-deficient India.

The two men come from the same area of what is now Pakistani Punjab. Mr. Gujral's Hindu family having fled at the time of partition. They share a rapport unprecedented between leaders of the two countries. But personal chemistry is not primarily what is driving this latest breakthrough.

Pakistan is on the verge of fiscal and social collapse. Mr. Sharif has been given a very short leash by the International Monetary Fund, with specific instructions on results that it will have to see if it is to continue to provide support. India faces crises in infrastructure deficits, population growth, environmental degradation, liquidity crunch and skeptical foreign investors.

In addition to the big economic gains that would result from a reduction in the diversion of scarce resources to defense budgets, an opening of trade relations, now totaling a mere $500 million annually, could help achieve a regional free trade zone by the year 2000.

The Cold War is over, and Mr. Gujral and Mr. Sharif know it.

The international policy community in the West has generally expressed its approval of the Pakistani leader, but some experts have expressed concern that Mr. Gujral will not deal positively with the United States and that he will waffle on economic reforms.

We disagree. That is outmoded sentiment from the Cold War era, when Mr. Gujral served as India's ambassador in Moscow.

He understands the new global game: that geoeconomic realities are what must drive foreign and domestic policy. He knows that the only form of development assistance left after the Cold War is foreign investment.

Like Mr. Sharif, he must pursue economic reforms and invest in the infrastructure necessary to attract desperately needed foreign capital. Both leaders know that there will be no Mexican-style bailout if they fail. It seems that they have wisely concluded that, on the icy seas of the post-Cold War global economy, it is better to swim together than to drown separately.

This is good news for all of us. While the fate of the region hinges on better relations between India and Pakistan, over the rest of our heads still hangs the perhaps unlikely but no less real risk of a nuclear confrontation.

Mr. Gujral faces an enormous leadership challenge. He must deal with a myriad of parties with divergent platforms and interests. The long-term survival of this version of a government of India is by no means assured. But India simply cannot afford to change governments every year.

It has landed on its feet this time, but it teeters on a political high wire over a social and economic abyss. Next time the political wind shifts, it might not make such an artful recovery.

Mira Kamdar is acting director of the World Policy Institute at the New School for Social Research. Sumit Ganguly is a professor of political science at Hunter College. They contributed this comment to the Herald Tribune.

Clinton's Troubles in Northern Iraq Aren't About to Go Away

By Jim Hoagland

WASHINGTON — The Clinton administration's policies toward Iraq's fractious Kurds and its brutal dictator, Saddam Hussein, boil down to an implausible wish: Please go away. That is high diplomacy in Clintonian Washington.

Neither the Kurds nor Saddam will oblige. Nor do Turkey's military commanders pay the slightest attention to condemnations of their search-and-destroy invasions of northern Iraq. And Iran's ayatollahs laughingly defy U.S. commands not to support Kurdish rebels against the Turks and against Saddam.

Instead, these forces combine to set the strategic Mesopotamian crossroads aflame. The Clinton response? Have Madeleine Albright give a speech, appoint a secret committee headed by Vice President Al Gore's elusive foreign policy adviser to endorse the status quo, and then pretend that there is no serious problem.

But there is, and the administration has helped create it through blunders in Iraq and an attitude of neglect and drift toward Turkey.

Two years ago, the United States was deeply involved in defending the liberated Kurdish enclave in northern Iraq as a springboard for overthrowing Saddam. But two incompetent CIA covert operations in Iraq canceled each other out and left a strategic vacuum in the north, where Saddam has succeeded in pitting the Kurdish tribes against each other again.

The American commitments evaporated when Massoud Barzani, leader of one Kurdish faction, invited Saddam's troops into Kurdistan last August to help him put down Jalal Talabani's forces and roll up the U.S. covert operation there. U.S. agents fled, leaving behind hundreds of Iraqis who had worked with them to be slaughtered by Saddam's troops.

A moment for U.S. leaders to get even, not angry, with Mr. Barzani? Not with this administration. An interagency working group on northern Iraq was formed and concluded that the United States had to deal with Mr. Barzani as the de facto power in the north.

Months of efforts to woo him away from Saddam have produced no results, while Saddam steps up defiance of U.S. restrictions on his behavior.

The few people who know of the working group, which gathers the CIA, the Pentagon, State and other agencies, have been intrigued that it is run by Leon Fuerth, Mr. Gore's foreign policy aide, who shuns substantive contact with the press — and with other administration policymakers, for that matter.

His presence, in his first big foreign policy assignment, is seen by some as a damage control operation to benefit Mr. Gore. The debacle in Kurdistan rivals Somalia as the Clinton administration's greatest foreign policy defeat, and needs to be under wraps by the year 2000.

A muscular speech by Secretary of State Albright early this spring promising a continued firm stand on Iraq helped mute U.S. and foreign misgivings about policy drift. But it has not been followed up by any significant American action.

This is a pattern with the Clinton administration in Central Asia. Just two years ago, the State Department was describing Turkey as the world's most important "front-line state," the focal point of the globe's most urgent crises and threats. But coherent, convincing action did not follow the grandiose words, and today Turkey is in the grips of a major struggle between the secular military and Islamic fundamentalists.

The one clear trend in Turkey is movement away from Washington. Denied military equipment that it feels it needs, Turkey's military command is increasingly turning to Israel for direct military help. This adds exponentially to tensions between the secular, Western-oriented military and the Islamic fundamentalist Prime Minister Necmettin Erbakan.

Washington's pleas to the Turkish military to stay out of politics at home, and to stay out of northern Iraq, now fall on totally deaf ears.

The Washington Post.

The Pentagon Is Hooked on Fancy Weapons It Doesn't Need

By William Pfaff

PARIS — On Monday the U.S. Defense Department published its Quadrennial Review of military priorities and spending. The document quickly came under criticism for proposing cuts in manpower and infrastructure spending while maintaining substantially the same mission definition, as well as existing high-technology weapons programs.

The geopolitical assumptions of the review are essentially unchanged. The United States is expected to be able to fight and win two simultaneous regional wars (the Gulf and Korea are the threats usually cited), maintain existing levels of troop deployment in Europe and Asia, and contribute to peacekeeping missions. All this is questionable, but it is the conventional wisdom.

The most interesting criticism of American defense policy is one that is most provocatively made by a European military commentator, Philippe Grasset, publisher of a Brussels aerospace industry newsletter. He says that the United States is "impoverishing" its power by its commitment to technically advanced weaponry.

He says the United States prepares for high-technology conventional wars unlikely to happen, at the cost of low-tech capabilities for the kind of operations more likely to be needed. It has an immensely sophisticated force "waiting for Godot" — or for the barbarians who never come.

The Pentagon insists on purchasing weapons systems which have little utility in real crises because they are irrelevant to the threat, technologically wholly disproportionate to the threat, or so costly that commanders are loath to use them.

The B-2 "Stealth" bomber is the obvious and controversial case in point. A program announced in 1980, the B-2 flew first in 1989, went into nonoperational service only in 1993 (because of problems), and was announced to be operational, although with some continuing difficulties, only last month.

Its cost has been $2.2 to $2.5 billion per unit — one-third the price of an aircraft carrier. It is not an airplane that a commander wants to see crash in the desert. During the Gulf War, the air force accompanied Stealth missions by its F-117A fighter.

The Stealth technology developed in the 1970s and applied to the B-2, the F-117A and today's F-22 fighter program has since 1975 added some $100 billion to the cost of these systems, and even today, when it is a mature technology, it continues to cost the Pentagon between $1 billion and $5 billion annually. Yet its operational value in today's conditions is open to serious question.

The air force's commitment to stretching the technological curve is so firm that it is unwilling to propose new programs without Stealth technology. Three new Stealth aircraft are in development; the F-22, the navy's F/A-18 and the so-called Joint Strike Fighter.

The country has three advanced combat aircraft programs in progress, in addition to the B-2, all with Stealth characteristics designed to allow them to penetrate enemy air defenses of a kind actually possessed only by America.

The so-called "star wars" missile defense project, now in its 14th year, gets a modest funding increase in the Defense Department Review, yet according to the undersecretary in charge of weapons procurement, Paul Kaminski, its proposed deployment by 2003 would have "a very high risk" of not working.

The United States is developing a defensive system which, according to Mr. Kaminski, would have "some capability" against "accidental or unauthorized" missiles, but would be useless against a serious and deliberate missile attack against the United States.

American military spending is caught up in a rivalry not between the United States and some other nation but between the Pentagon's own measure, counter-measure and counter-counter-measure theorists.

The aeronautics and defense industries are designing defense systems to overcome their own offensive systems, and vice versa. One thinks of that now banned children's tale whose climax is that the tiger rushes round and round the palm tree with such energy that he ends up a pool of butter on the jungle floor. The little human hero spoons him up to butter his tea crumpets.

All this might be a relatively harmless way to spend public money, subsidizing high-technology research and industry in each of the country's congressional districts, but it is being pursued at the cost of military capabilities adapted to the unsophisticated, low-technology, high-manpower tasks the that American military actually tends to be asked to perform.

Between the high-technology project and the slog on the ground, reality takes its toll. As Mr. Grasset notes, a year and a half ago the U.S. Army's 1st Armored Division spent three weeks trying to complete a flooded river crossing in Bosnia. Armored divisions used to be good at winter river crossings, even opposed ones, with an enemy shooting at them. That is what armored divisions were for. Now we have the B-2.

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Some Scandal Housekeeping

By William Safire

ST. LOUIS, Missouri — Before rising to the defense of Hillary Clinton, let me do some scandal housekeeping.

On the investigation into espionage and bribery called the Asian Connection:

A Justice Department source informs me that some "career professionals" in the criminal division have now joined FBI Director Louis Freeh in urging Attorney General Janet Reno to seek the appointment of independent counsel.

She still refuses to act. That poses a clear challenge to the Government Reform and Oversight Committee of the House to call key members of the criminal division.

The purpose should not be to solicit evidence that the committee should develop on its own, but to determine whether the attorney general's refusal is still based, as she claims, on the professional opinion of career officials.

On another front in the same scandal, the House Rules Committee chairman, Gerald Solomon, has written Bill Clinton to ask federal help in finding and getting testimony from the U.S. citizen Yah Lin "Charlie" Trie, the Little Rock Clinton benefactor who is presumed to be in Beijing. That raises a few questions.

Has the suspected Beijing-Washington go-between been deposed by the FBI? Is Mr. Trie's U.S. passport operative, or is he a fugitive? Will the Chinese government cooperate in returning him to face, if not a grand jury, at least the U.S. Congress?

Now to the Whitewater abuses of power:

While professing "full cooperation" with investigators, the Clintons have been fighting a yearlong secret battle to keep from view notes taken by government lawyers. A federal appeals court found that lawyers paid by the public do not share the same confidential privilege as personal lawyers, and ordered the notes be given to the independent counsel. The Clintons, having already turned over such notes affecting staff aides, resist — appealing to the Supreme Court to protect the first lady.

Are they trying to hide a smoking gun? No; my guess is that those notes contain some embarrassments, as well as clues to the administration-wide cover-up that will help prosecutors proceed under RICO, the Racketeer Influenced and Corrupt Organizations Act. But Jane Sherburne is too experienced an attorney to jot down statements suggesting criminality, and she knows that all federal officials, even lawyers, must report to Justice any crime they learn about.

Then why claim lawyer-client privilege? Answer: It bought 18 months' delay, and delay is their best defense.

Mrs. Clinton has no unique "privilege" to protect her and her alone from criminal investigation, but she does have the same rights to defense enjoyed by every U.S. citizen.

Recently a prosecutor was surreptitiously taped in a secret court session telling judges that Mrs. Clinton was among those who could be indicted. ABC's breathless broadcast of the tape was an editorial mistake.

As the momentum of prosecution picks up in coming months, and as executive stonewalling becomes more infuriating, reporters will be tempted to penetrate judicial walls and intrude on grand jury secrecy. We should resist that.

Pundits can predict Hillary's indictment, and animadvert on her tendency to lie, as I have, and her husband can wish aloud, as the president has, that he could respond by punching me in the nose — that's all free speech. Certain judicial proceedings, however, are held in secret for the purpose of protecting the constitutional rights of potential defendants, or of guarding the privacy of witnesses and jurors.

Eavesdropping on them undermines a genuine privilege, and broadcasting the tape abuses free speech.

What about the tip from within Justice about the changed opinion of career professionals that leads today's essay? That is legit because it advances the story by lighting a fire under the attorney general without jeopardizing anybody's rights at trial.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Degrees Denied

LONDON — Cambridge University, by a vote of 1,713 to 662, refused to grant degrees to women. An unsuccessful resolution stated "That it is desirable that the title of degree of bachelors of arts be conferred by diploma upon women satisfying the examiners in the final tripos examination and who have kept nine terms at least." The undergraduates, who are practically unanimous in opposing the idea, were in a state of wild excitement.

1922: 100 Drowned

PARIS — One hundred lives were lost when the British P. and O. liner Egypt was rammed and sunk in the fog by the French freighter Seine, about eighteen miles off the French coast, nearly due west of Brest. The Egypt, a steamer of 8,000 tons, was struck amidships, a great hole being torn in her side, and she sunk in less than twenty minutes. Fifteen passengers and more than eighty of the crew were lost.

1947: Jinnah's Plan

NEW DELHI — Mohammed Ali Jinnah, president of the Moslem League, whose demand for an independent Moslem state of Pakistan might result in the partition of India into Hindu and Moslem states, said he envisaged "friendly and reciprocal" relations with Hindustan. He demanded the division of Indian armed forces, but forecast a mutual assistance pact with Hindustan against outside aggression. He asked for a corridor to connect the eastern and western Pakistan states, and said that Pakistan had to be sufficiently strong as a balance vis-a-vis Hindustan. "I am deadly against a partition of Bengal and the Punjab, and we shall fight every inch against it."

OPINION/LETTERS

A Cohabitation Dance To a Budget-Plan Beat

By E.J. Dionne Jr.

WASHINGTON — The French have a lovely and mildly sexy word for the occasions when their president is of one party and their Parliament is controlled by the opposition. They call it "cohabitation." The president must "live with" a prime minister and a legislative body that would prefer he not be there.

Cohabitation implies neither love nor marriage, simply an arrangement. The arrangement can be amicable or stormy, depending on what each party needs at any given time.

The peculiar noises coming out of Washington these days are the sounds of President Bill Clinton, the Senate Republican leader, Trent Lott, and the House speaker, Newt Gingrich, writing new terms for their cohabitation agreement.

Since Franklin D. Roosevelt's election in 1932, only once before, from 1946 to 1948, has a Republican Congress had to live with a Democratic president.

Harry Truman quickly chased the Republican majority out of town.

In the current arrangement, the first two years were difficult. The Republicans tried to pretend that Mr. Clinton wasn't there.

A few vetoes later, the Republicans saw that the president had broken most of their crockery. They now want a partial truce.

The French would tell you that cohabitation is never stable. Each side reminds the other of the relationship's limits. In an interview at the White House on Thursday, the president did just that.

Of the Republicans, Mr. Clinton said: "They are in the majority. They are entitled to some deference. But they have to know there's a point at which we have to get off."

Mr. Clinton sat down for an interview at the request of a group of journalists. All smiles and good cheer, he spoke as his negotiators were pinning down Mr. Lott and Mr. Gingrich on the final details of the budget agreement. He thought he was getting most of what he wanted.

But the real dynamic of the interview was Mr. Clinton's shifting back and forth between pledges to cooperate with the Republicans and warnings that he would happily work with congressional Democrats to nudge the accord his way, especially on taxes.

Mr. Clinton sees the budget not only as an agreement but also as a "framework" in which "we can debate the differences." This is the dance of cohabitation.

Within two sentences, he raised the possibility of using his veto, then quickly pulled back. "I don't want to talk about a veto," he said, praising the "good faith and progress" in the negotiations. Then he raised the issue again.

"I think there will be one heck of a good debate on this tax bill," Mr. Clinton said. But he added that if "I think it's too bad for the American people and it's not fair, then I'll do my best to stop it from becoming law."

This is a president who once said that one of his heroes is Wile E. Coyote. Coyote is the character in the "Roadrunner" cartoon who always gets into trouble but lives to fight another day.

Mr. Clinton said the deal binds him to sign a bill cutting capital gains and estate taxes, "even if it is not the bill I would write."

But the Republicans refused to put the specifics of the tax bill into the agreement, so Mr. Clinton said he feels he has room to work with Democrats to amend any Republican plan.

"They said, 'We don't write this bill in the agreement, and neither can we expect you to be bound by anything except the categories — and the principles,'" Mr. Clinton said.

The Republicans may come to regret not pinning the president down on taxes. Congressional Democrats see the Republicans as vulnerable on the inheritance and capital gains tax cuts, which mostly benefit the better-off.

The House Democratic leader, Richard Gephardt, has asked Democrats on the Ways and Means Committee to write their own tax plan. It will emphasize middle-class tax cuts and, at most, modest changes in capital gains and inheritance levies.

Republicans know they have a conflict on their hands between pro-family activists, who want a tax credit for parents with children, and their business constituencies, who think the "kiddie credit" is a waste of money and care most about capital gains.

The Republicans cannot accommodate everybody, especially since they have given Mr. Clinton all the education tax credits he wants.

"There's either a geometric or a mathematical problem in that there are $200 billion worth of tax cuts that have to fit into a bag about half that size," said Representative Mark Sanford, Republican of South Carolina, in an interview.

From his White House perch, President Clinton seems happy to let the tax battle roll. "I think it's good to have a big fight over taxes," he said with a smile.

Cohabitation means getting along only when you have to, and shifting your alliances whenever necessary.

Washington Post Writers Group.

Air Force Pilot Is Winning Her Public Relations Battle

By Maureen Dowd

MINOT, North Dakota — The military wanted women who were ready for combat. Well, they got one. First Lieutenant Kelly Flinn will no longer fly B-52 bombers for the U.S. Air Force, but her training in hitting the target has not been wasted.

She has proved herself a bold, if weepy, warrior, sending her fellow female pioneer, the air force secretary, Sheila Widnall, into retreat. She has momentarily saved herself from the auto-da-fé that the air force had prepared for her.

MEANWHILE

Lieutenant Flinn has been waging a clever and passionate public relations battle that has sparked an intense national debate on whether the military should be prying into affairs of the heart so avidly, and on whether the generation-old experiment in integrating the sexes has failed.

Unlike the 67 other men and women who were court-martialed for adultery last year by the U.S. Air Force — in its stepped-up crusade to have a family-friendly environment — Lieutenant Flinn did not go quietly.

With the support of her aptly named lawyer, Frank Spinner, she told television and newspaper reporters her sad story of being betrayed twice, first by a duplicitous and abusive married lover and then by an air force that appeared overly eager to trap her.

Helping her seem more sympathetic was the rat himself, Marc Zigo, a former soccer coach, who first gave lurid details to investigators in the air force and then showed up in Minot on Tuesday to volunteer to testify against his former girlfriend.

When the court-martial did not start quickly enough for him, Mr. Zigo called CNN's "Talk-Back Live" to share his pain.

"My intention was to tell the truth, which she did not," he said.

His former wife, an airman named Gayla, has written Secretary Widnall a letter characterizing Lieutenant Flinn as a husband-stealing vixen.

Lieutenant Flinn was not like all the soldiers and sailors who go to anonymous brothels. She thought she had found true love, the path to a real life, a marriage — something better than the desolate, cold duty with desolate, cold nuclear weapons.

"She had never fallen in love with anybody," her mother, Mary, said on Tuesday. "She had dated a lot of people, but Marc was the first person who came into her life who had looked on her as a woman.

"He told her she should wear blue, he said she was always wearing black. He told her she should wear her hair differently. He was charming. She believed everything he told her."

Of course, Lieutenant Flinn used bad judgment when she got involved with a married man. She used extremely bad judgment when she lied to her superiors about the relationship.

But it is hard to believe that there wasn't something this side of Hester Prynne, the adulterous heroine of "The Scarlet Letter," to resolve a case with someone who had been showcased as the first female B-52 bomber pilot.

While legal experts did not even expect her to get a general discharge, she held out for an honorable discharge, which would allow her to fly in the reserves or National Guard. If she could not have that, she said, she would face head-on the air force threat to vilify her reputation, make her a felon and put her in prison for up to nine and a half years.

The public found the military's application of rules about sexual conduct erratic. And the military seemed hypocritical for acting so priggish after all those years of glorying in an image of swaggering flyboys.

Air force officials finally realized that they had been outmaneuvered when the Senate Republican leader, Trent Lott, blasted them on Tuesday. "My wife has a good question," he said. "Where's the guy who's involved in this deal?"

Mary Flinn, who once watched in awe as her daughter landed a jet trainer, said Lieutenant Flinn was still respectful of air force rules. For instance, she said she told her daughter she did not understand why the news cameramen were limited to certain areas on the base.

"I said they weren't bothering us, and Kelly said: 'Mom, you don't understand. There are rules you follow on the base,'" Mrs. Flinn said. "Here she is at her own court-martial, and she is so indoctrinated with this love of the air force. She still talks about the possibility of active duty.

"She would give her life to the country. She still loves the air force. She just feels it was individuals who broke her heart."

The New York Times.

LETTERS TO THE EDITOR

Tobacco Verdict

Regarding "The Tobacco Verdict: Jury Saw Smoking as a Personal Choice" (May 7):

As a lifelong nonsmoker who in no way appreciates smoke-filled rooms, I nonetheless agree wholeheartedly with the Florida decision in favor of R.J. Reynolds Tobacco Co. I have great sympathy for the family of Jean Connor, who died of lung cancer. But I have sympathy neither for the lawsuit claiming damages nor for the fact that the verdict, for Mrs. Connor's family, was like "watching her die all over again."

If the family is not seeking personal gain, but wishes to save others from the hazards of smoking, instead of tying up the courts with litigation, it should be spending its time and effort to convince others to stop smoking.

HOWARD M. LIEBMAN.
Brussels.

Problem of Parenting

Regarding "'Progressive Parenting' and the Rise of the 'Brat'" (Opinion, May 16) by Bill Maxwell:

Mr. Maxwell details the near demise of his laptop computer at the hands of a rambunctious 6-year-old in an airport waiting area. Mr. Maxwell told the child to get lost, reprimanded the inattentive parent, and had enough raw material to put the nail in the coffin of what he calls "progressive parenting," a "feel-good," American method of child-rearing.

Mr. Maxwell is not alone in what seems to be an increasing tendency for people to treat the public domain as their private reserve. We have become aggressively territorial in public, demanding that we be afforded the same unconditional privileges in public as those we enjoy at home.

Children, by nature, demand our attention. Yes, they need to learn restraint; no, they can't be allowed to hurt others or destroy their property. But as adults, we have an obligation to engage and teach them, not just mete out punishment and discipline. If the fabric of society is beginning to unravel, it's not just because of permissive parents. Intolerance and social isolation are the true threats.

HAL LANDY.
Chêne-Bourg, Switzerland.

A Forgotten Author

Regarding "No Computer Can Write a Column Like This" (Opinion, May 14) by Richard Cohen:

Mr. Cohen claims that no great literary work has been written by a 12-year-old. He suggests this may be because a child cannot comprehend the approach of his own death and believes himself to be immortal. I find it surprising that in this context Mr. Cohen seems to have forgotten "The Diary of Anne Frank."

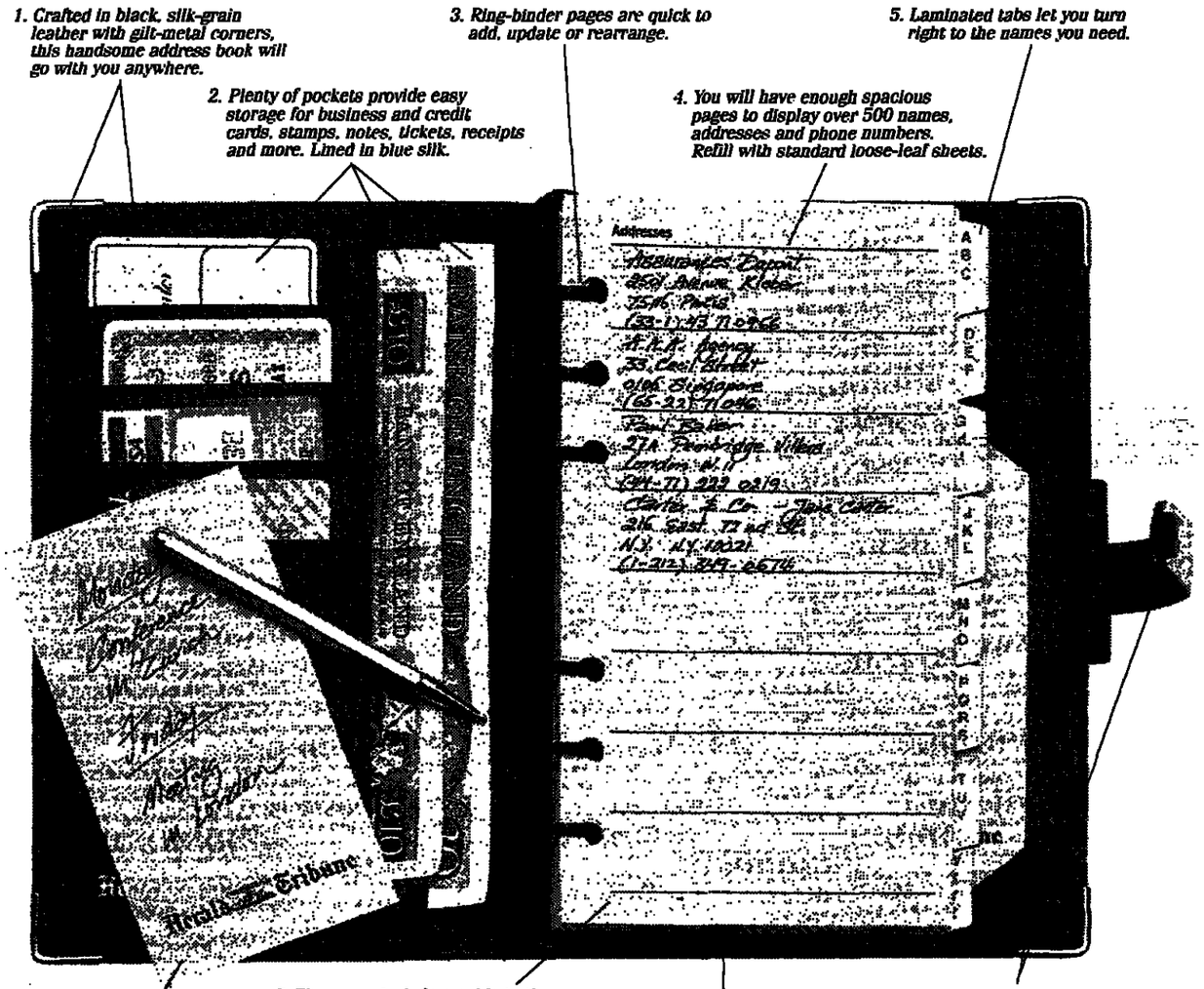
MARILYN SCHAPIRO.
Bielefeld, Germany.

Mistaken Attribution

Regarding "Homer: A Translator's Odyssey" (Leisure, April 22) by Mel Gussow:

Robert Fagles's attribution of "The Authoress of the Odyssey" to Robert Graves was mistaken. It was Samuel Butler (also the author of "Erewhon," among others) who wrote that book.

ROBERT J. WOLPSON.
London.



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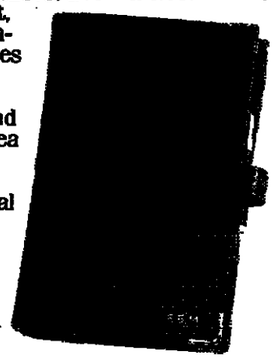

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cs-as-Usual

perately needed foreign capital. Both leaders know that there will be no Mexican-style bailout if they fail. It seems that they have wisely concluded that, on the icy seas of the post-Cold War global economy, it is better to swim together than to drown separately.

This is good news for all of us. While the fate of the region hinges on better relations between India and Pakistan, over the rest of our heads still hangs the perhaps unlikely but no less real risk of a nuclear confrontation.

Mr. Gujral faces an enormous leadership challenge. He must deal with a myriad of parties with divergent platforms and interests. The long-term survival of this version of a government of India is by no means assured. But India simply cannot afford to change governments every year.

It has landed on its feet this time, but it teeters on a political high wire over a social and economic abyss. Next time the political wind shifts, it might not make such an artful recovery.

Mira Kamdar is acting director of the World Policy Institute at the New School for Social Research. Sumit Ganguly is a professor of political science at Hunter College. They contributed this comment to the Herald Tribune.

bout to Go Away

important "front-line state," the focal point of the globe's most urgent crises and threats. But coherent, convincing action did not follow the grandiose words, and today Turkey is in the grips of a major struggle between the secular military and Islamic fundamentalists.

The one clear trend in Turkey is movement away from Washington. Denied military equipment that it feels it needs, Turkey's military command is increasingly turning to Israel for direct military help. Tel Aviv adds exponentially to tensions between the secular, Western-oriented military and the Islamic fundamentalist Prime Minister Necmettin Erbakan.

Washington's pleas to the Turkish military to stay out of politics at home, and to stay out of northern Iraq, now fall on totally deaf ears.

The Washington Post

s It Doesn't Need

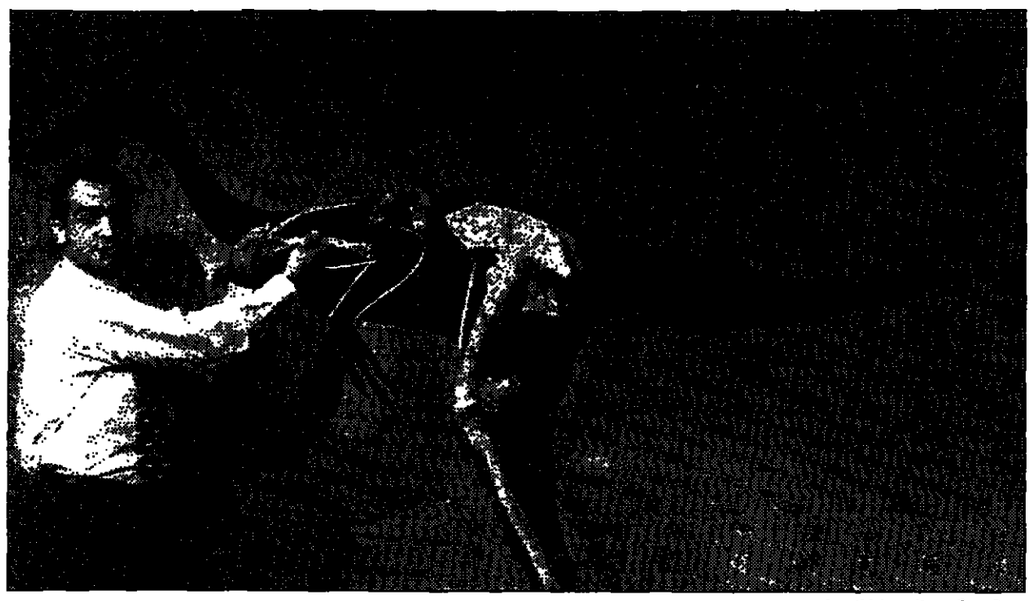
ES: 100, 75 AND 50 YEARS AGO

1947: Jinnah's Plan

NEW DELHI — Mohammed [illegible], president of the Muslim League, whose demand for independent Moslem states in [illegible] might result in the partition of India into Hindu and Moslem states, said he was personally friendly and received cordial assurances with Hindus [illegible] He demanded the division of the armed forces, but he indicated financial assistance [illegible] a plan of evacuation against communal violence. He asked for the withdrawal of the existing Pakistan states, and said Pakistan had to be strong as a balance against overwhelmingly strong Hindustan. "I am also for the partition of Bengal and the Punjab, and we shall fight every inch against it."

HEALTH/SCIENCE

TOMORROW: LEISURE



Joyce Naltchayan/Agence France-Presse

Paleontologist Fernando Novas explains why he believes that his fossil bolsters his bird-dinosaur link theory.

Backing for Dinosaur-Bird Link

By John Schwartz
Washington Post Service

WASHINGTON — Fossil remains discovered in Argentina appear to be from a long-sought "missing link" supporting the theory that birds descended from dinosaurs, two scientists say. More than 20 bone fragments extracted from a green sandstone hill in the Patagonia region come from a previously unknown ancient critter whose pelvis resembles both dinosaurs and birds, and whose shoulder is uncannily birdlike. The flightless creature stood nearly four feet tall, was about 7 1/2 feet long and ran upright on two legs.

Paleontologist Fernando E. Novas of the Museum of Natural History in Buenos Aires and his colleague Dr. Pablo F. Puerta named the theropod *Unenlagia comahuensis*, meaning "half-bird from northwest Patagonia" in Latin and the language of the local Mapuche Indians.

Dr. Novas said that he first mistook the remains for a turtle. But once he got the bones back to his desk in Buenos Aires, he "became astonished, looking at the structure."

Dr. Novas describes the discovery in the journal Nature. In an article accompanying the Novas piece, Dr. Lawrence M. Witmer of Ohio University called Unenlagia "a true mosaic, begging the question of where to draw the line between what is, or is not, a 'bird.' "

Most paleontologists believe that dinosaurs evolved into birds, based on the many similarities between the bone structure of creatures such as the fierce Deinonychus and ancient birds such as Archaeopteryx. But finding fossils that stand at the midpoint between the two groups has eluded paleontologists.

The new find "fills in a major piece of that gap," said Dr. Mark Norell, chairman of the department of vertebrate paleontology at the American Museum of Natural History in New York. It is one of a number of newly discovered fossils being prepared around the world that will further prove the dinosaur-bird link, he said.

It is the Unenlagia's oddly configured shoulder that fascinates paleontologists. The dinosaur's short arms hung down from its shoulders, and the orientation of the shoulder meant that the animal's limbs could move forward and inward to grasp, in a fairly limited range. The creature's shoulder was tilted outward, however, giving a completely different range of movement that included up-and-downstroke flapping.

THAT range of motion might have helped the speedy dinosaur keep from falling as it zipped about, Dr. Novas suggested, in the same way that humans wave their arms to keep balance while surfing or skating. The forearm was so short and the creature so heavy that flapping the proto-wing certainly would not have been enough to allow a creature of that size to fly, but it could have increased the height and hang time of its leaps.

Dr. Novas was careful to point out that the new find could not itself be a direct ancestor of modern birds, because the Unenlagia lived just 90 million years ago — 55 million years younger than Archaeopteryx, the earliest known bird, whose fossil remains were discovered in Germany in the 1860s. Instead, Dr. Novas said, the new discovery was "a late survivor of a critical evolutionary stage" from which Archaeopteryx and other birds sprang. The debate over whether birds descended from dinosaurs is unusually polarized. The new discovery did not appear to do much to impress scientists skeptical of the dinosaur-bird theory.

"They seem to dream 'em up all the time," said Dr. Alan Feduccia, chairman of the biology department at the University of North Carolina. Dr. Feduccia, who called the new report "utter nonsense," said the fact that these birdlike dinosaurs appeared tens of millions of years after Archaeopteryx means that the idea of line of descent doesn't make sense.

Instead, Dr. Feduccia says the birdlike dinosaurs are an example of convergent evolution, the process by which creatures acquire characteristics like those of other species independently. Just as bats are mammals that gained the power of flight without being birds, Dr. Feduccia argued, the birdlike dinosaurs are just that: birdlike, not birds. "Yes, birds superficially resemble dinosaurs," Dr. Feduccia said. "But when you get down to the nitty gritty, goblins start to creep out. . . . I believe that the dinosaurian evolution of birds will be the greatest embarrassment of this century in paleontology." Dr. Novas bristled at such arguments. "Can you put on the desk the evidence supporting that birds are not related to dinosaurs?" he asked. "Please do that and I will change my opinion."

Closing Cuts With Glue

New Materials May Partly Replace Stitches

By Susan Gilbert
New York Times Service

NEW YORK — Through the ages, a wide range of materials have been used to close deep cuts and other wounds, including cobwebs, the jaws of leaf-cutting insects and, in modern medicine, stitches and staples.

But now another material is showing promise: glue.

Rather than put patients through the ordeal of sewing their wounds and in many cases removing the stitches a week or so later, doctors are finding that they can simply glue the edges together and send their patients home.

The adhesives are chemical relatives of the glues found in factories or around the house, but sterilized and modified for medical purposes.

Several recent studies show that certain wounds closed with glue heal just as well as those closed with stitches, and that the cosmetic results up to a year later are comparable.

In the newest study, doctors predicted of one kind of medical glue that it could replace stitches for about a third of the 11 million wounds treated yearly in American hospital emergency rooms.

The study is being published in Wednesday's issue of The Journal of the American Medical Association.

Dr. Alexander Trott, a professor of emergency medicine at the University of Cincinnati College of Medicine, whose commentary on the study also appears in the journal, said the study "heralds a new technique and product that can come close to revolutionizing the way we care for lacerations."

Medical glues are not new. They have been used for decades in Canada, Europe, Israel and the Far East. But doctors in the United States paid little attention to them until the last year or so because the older glues had many limitations.

For one thing, they were too weak for all but small, shallow wounds. In addition, some caused toxic reactions on the skin. Perhaps the biggest strike against them was a finding published a decade ago that one adhesive induced cancer in laboratory rats.

More recent research has not borne out the cancer link, and newer medical glues are stronger and, when used properly, not toxic, said Dr. James Quinn, an assistant professor at the University of Michigan Medical School in Ann Arbor and lead author of the new study.

His success with medical glues in Canada as an emergency room doctor touched off his interest in research.

His new study included 130 adults with lacerations on the face, torso, arms and legs that were treated in the emergency room of Ottawa General Hospital. Half the wounds were closed with a medical glue, the other half with stitches. Deep wounds that normally require two layers of stitches were given stitches beneath the skin and then randomly assigned to be closed with glue or stitches on the surface.

Certain wounds were excluded because of the risk of infection and other complications, including animal bites and scratches and puncture wounds.

The study found that the wounds in each group healed equally well when evaluated within the first few days or weeks and again after three months. But the glue had two big advantages over stitches. First, it closed the wounds in a quarter of the time: about 3.6 minutes compared with 12.4 minutes. And patients reported significantly less pain.

Patients who returned for a three-month follow-up had their wounds photographed. On two occasions, a plastic surgeon looked at the photographs to evaluate the cosmetic results of the 98 wounds shown, unaware of which method was used to close them. Each time, the surgeon gave the wounds from each group the same overall evaluation.

The glue used in Dr. Quinn's study is a new product, Dermabond, whose manufacturer, Closure Medical Corp. of Raleigh, North Carolina, financed the study. The company is awaiting approval by the Food and Drug Administration and expects a decision this year. If approved, it would be the first medical adhesive available in the United States.

In addition to emergency room injuries, doctors say that medical adhesives could replace stitches and staples in closing certain surgical wounds. A study published in the February issue of The Journal of Otolaryngology, also financed by Closure Medical, found Dermabond to be as good as stitches for head and neck incisions from such procedures as cancer surgery, thyroidectomies and biopsies.

THERE are some drawbacks to all kinds of medical glue, Dr. Quinn said. For one thing, it cannot be used on the feet, hands or joints because the repetitive movement of those areas can cause it to peel off, taking the top layer of skin with it. Also, frequent handwashing can wash it off, although a daily shower does not seem to be a problem.

Another drawback is that medical glue is tricky to use. Dr. Quinn said it was unpopular in certain parts of Canada because many doctors used it improperly and got poor results.

Glue is meant to be painted on top of a wound's edges while the edges are held together by someone's fingers, but Dr. Quinn said that many doctors mistakenly put it between the edges. If it gets into a wound, it can interfere with healing, promote infection and result in an unsightly scar, he said.

But Dr. Trott believes that with minimal training, even laymen can learn to use medical glue properly. He envisions a day when families will take it on camping trips. "It's not like it takes a medical degree to handle this stuff," he said.

Magnetic Hints of Life on Moons

By William J. Broad
New York Times Service

NEW YORK — When scientists wonder about the hidden depths of a moon or planet, they often look for signs of a magnetic field.

On Earth, the lines of magnetic force enveloping the planet indicate the hot churning of a molten core. At the surface, geologic effects of this commotion help make Earth a habitable place, constantly shaping the land and sea, powering earthquakes and volcanoes, recycling the crust and keeping planetary ingredients in a stir beneficial to life.

But what of other worlds? Scientists have searched for magnetic fields around rocky extraterrestrial bodies partly as a way to gauge the presence and prevalence of deep geologic activity, but until now the hunts have mostly been unsuccessful. Nothing substantial has been found around the Moon, or Mars, or Venus — all of which have been written off as geologically dead or, at the very least, fast in deep slumber. Earth, with its churning core, has seemed more and more unique.

But now, the National Aeronautic and Space Administration's Galileo probe of Jupiter has found that three of the planet's large moons — Io, Europa and Ganymede — are pulsating with signs of magnetic fields, suggesting that layers of thick ice on those distant worlds hide interiors that are potentially alive geologically, and possibly biologically.

The lines and ridges, furrows and fissures that deeply wrinkle the surfaces of these icy moons (and in the case of Io, the volcanoes) had already hinted at an interior drama. But the clues now suggest the activity is widespread and going on now, rather than ages ago.

Indications of magnetic fields around Io and Ganymede are analyzed in the current issue of the journal Science, and the Europa findings are to be announced in the journal on Friday. (Experts writing last week in the journal Nature declared that the fourth and most distant of the large Jovian moons, Callisto, was magnetically barren.)

The positive findings about the three Jovian moons, scientists say, raise the odds that their depths may be habitable and may harbor alien life, perhaps swimming through dark seas. Such speculation is an increasingly popular topic among planetary scientists.

MAGNETIC fields could be beneficial to life not only because they imply inner heat and geologic vitality, scientists add, but because they would help shield the moons and any alien creatures from cosmic rays, the streams of highly penetrating particles that speed through space. Earth's magnetic field deflects many of these deadly radiations.

"It's very exciting," Dr. Margaret Kivelson, an astrophysicist at the University of California at Los Angeles who is the lead scientist interpreting the magnetometer readings of the Galileo probe, said in an interview. "The images we receive show only surfaces, and sometimes you can infer a bit about what's going on below, like with Europa and all the floes. But when you measure a magnetic field, it gives you important clues. They're not always unambiguous, but they give you a sense of something going on deep inside."

Jupiter is the solar system's biggest planet, with 16 known moons, four of them quite large. Ganymede, the biggest moon in the solar system at 3,269 miles (5,260 kilometers) in diameter, is larger than Mercury.

Increasingly, scientists say, the large Jovian moons are proving to be more surprising and interesting than Earth's planetary neighbors.

"This stream of data is strengthening our thinking of moons as worlds in their own right," said Dr. Louis Friedman, executive director of the Planetary Society, a private group in Pasadena that backs space exploration. "That change started to happen with Voyager, as we saw volcanoes on Io." The Voyager spacecraft flew past Jupiter in 1979.

"Now," Dr. Friedman added, "it's really happening as we see hints of all these processes going on."

People have long known of magnetic fields. The ancient Chinese, Arabs and Italians are variously credited with inventing the magnetic compass, which aligns itself with magnetic lines of force. By the 12th century, seamen used the instrument in the Mediterranean.

A magnetometer is a modern tool that measures the strength of magnetic fields, simple ones being akin to compasses. Magnetometers hurled into space in the last few decades failed to find signs of substantial fields around the Moon, Mars and Venus. But in 1974 and 1975, the Mariner 10 spacecraft, while studying Mercury found signs of a field whose strength was less than 1 percent of Earth's, suggesting the planet has some degree of inner activity.

BOOKS

JACKIE BY JOSIE

By Caroline Preston. 314 pages. $22. Scribner.

Reviewed by Carolyn See

THIS is a first book very much in the tradition of Alison Lurie's early novels of academic manners. "Jackie by Josie" could be the literary grandchild of "Love and Friendship," and it's fascinating to see how, after all these years, the genre hasn't changed.

Caroline Preston gives us, as a heroine, Josie Trask, an English graduate student who can't seem to finish her doctoral dissertation on an obscure early American poetess; it's hard to work on your dissertation when you're married and you've got a little kid.

Josie's husband, Peter, is a few years ahead of her in this academic maze, and he's doing famously, swanning about on campus with adoring flocks of young undergraduates, drunk on learning and enlightened self-interest. (He did find time, though, when she was in the hospital having the baby, to paint a closet in their apartment that she could use as an office.)

Josie is filled with an all-encompassing queasy anguish; she loves her child, but Peter seems to be receding from her. He's all happiness and ambition; she's floating somewhere in an untidy world of baby laundry, empty afternoons, old peanut butter sandwiches and untouched 3-by-5 cards scribbled with useless academic information.

Her anxieties focus on her "friend" Monica, an academic rival, long of limb, tanned and very chic, unmarried and unencumbered, whom Josie imagines to have set her cap for Peter. At the beginning of this fateful summer, events arrange themselves so that Peter and Monica are slated to drive to the West Coast to start teaching, while Josie stays in the East to work on a research project to bring in some money — since she's not working on her dissertation anyway. (You almost have to have been an English graduate student to perceive the guilt, angst and general sense of imprisonment lurking in that painted closet, the untouched file cards, the dreadful shame involved in not working on the "diss.")

Because the demands of the novel require it, Josie must spend the summer with her mother — of whom she is deeply ashamed — while she works on the project. She's supposed to be digging up facts on Jackie Kennedy for a quick popular biography, and her mother remembers that she and Jackie happened to have come to Washington at the same time. Strange, her mother remarks, how they turned out so differently. Josie is repelled. How can her mother even put herself in the same sentence with Jackie?

Josie's predominant emotion through most of this book is, in fact, shame; she's "hot with embarrassment for both of her parents" and for almost everything and everyone else — except Monica and Peter, whom she imagines to be blissfully entwined on a cloud of love. She dies of embarrassment over her old family home; she writhes in chagrin over her mother, who was dumped years ago by her dad. She's appalled that her mother has taken in an ex-convict as a lodger. She also suspects her mom of secret drunkenness, and she's hounded by her bossy older sister to do something about this, quick.

We see Josie as she must have been, in her childhood home, pale and bookish, memorizing poems, longing for a "better" world, dying of shame for her mother, who was forced to buy clothes for her daughters at rummage sales.

Josie is soon convinced that her mother is indeed a raving alcoholic, being duped by that merciless and wily convict. In her eyes, Josie's mother is a worm, with an "L" for "Loser" burned into her forehead.

BUT guess what? Even Jackie Kennedy, the brilliant and beautiful Jackie O, grew up the ashamed and bewildered child of divorce, and her father got so drunk the day of her wedding that she wouldn't let him give her away. And you couldn't say that Jack was exactly the King of Fidelity. What, the author suggests, if all women tend to be dealt more or less the same hand in the poker game of life? What if most of us must cope with iffy parents and flighty men, and need to keep our kids safe any way we can? Certainly other women have pondered these questions. Caroline Preston, following in the tradition that started with Jane Austen and continued in America through Lurie and Diane Johnson, does a commendable job with the material.

Carolyn See reviews book regularly for The Washington Post.

BRIDGE

By Alan Truscott

IN a thrilling finale, Harry Tudor of Miami and Michael Seamon of Miami Beach snatched victory on the last deal of the Cavendish Invitational Pairs in Las Vegas, Nevada, recently. They were apparently out of contention before the final session, but gained 1,000 imps to edge out two favored Italian partnerships.

The final standings in the field of 60 pairs were: Tudor and Seamon, 2855.64 imps; Massimo Lanzarotti and Andrea Buratti of Italy, 2743.39; Alfredo Versace and Lorenzo Lauria of Italy, 2687.75; Bjorn Fallenius and Mike Moss of Manhattan, 2372.68; Michael Courtney and Peter Gill of Australia, 2261.46; Hector Camberos and Pablo Lambardi of Argentina, 2170.21; Eric Greco of Annandale, Virginia, and Geoff Hampson of Fenton, Michigan, 1985.71; Bart Bramley of Chicago and Sidney Lazard of New Orleans, 1979.

The diagramed deal from the final session played a major role in Tudor and Seamon's victory.

Seamon as West overcalled one no-trump with two spades, showing spades and one of the minor suits. Over a negative double, Tudor cooperated with a pre-emptive raise to three spades and North-South were awkwardly placed.

They finally found their 4-4 heart fit, landing in game, but that was too high. Seamon made an imaginative double, confident that his partner held four hearts, and led the spade king.

South was Bob Hamman of Dallas, the world's top-ranked player, but his skill could not help him here. Tudor signaled possession of the spade queen, and Seamon led a low spade to allow his partner to win and shift to a club. The finesse of the jack lost to the king, and the spade ace was led.

South ruffed, led a heart to the ace and tried a diamond finesse. This also lost, and South eventually lost two trump tricks. That was a penalty of 800, giving Tudor and Seamon 308 imps in a scoring system that gives an imp-comparison with 29 other tables.

If Hamman had chosen to pass the double of three spades, he would have collected 500 and Tudor and Seamon would have finished fifth instead of first.

NORTH
♠ J 10 6
♡ A J 3 2
◇ Q 10 9 3
♣ 7 6

WEST
♠ A K 4 2
♡ 10
◇ K 8 5
♣ K 10 5 3 2

EAST
♠ Q 8 7 5
♡ Q 9 6 5
◇ 6 4 2
♣ 9 8

SOUTH
♠ 9 3
♡ K 8 7 4
◇ A J 7
♣ A Q J 4

Both sides were vulnerable. The bidding:

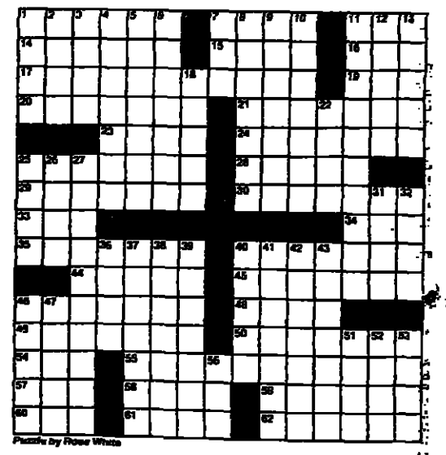
North	East	South	West
Pass	Pass	1 N.T.	2 ♠
Dbl.	3 ♠	Pass	Pass
Dbl.	Pass	4 ♡	Dbl.
Pass	Pass	Pass	

West led the spade king.

CROSSWORD

ACROSS
1 Unposed photo
7 Streisand, in fanzines
11 Cpl.'s superior
14 Tom, Dick or Harry
18 Year in Henry I's reign
16 Count
17 Military meal manager
19 Set off
20 Used a sauna
21 What "bathy-" means
23 Homeboys' "fraternity"
24 Consulate's kin
25 Somewhat firm
28 Track tournaments
29 Woolen cloth
30 Homes of the rich and famous
33 Beauty preceder?
34 Epoch
35 Hieroglyphic stone locale
40 Musical counterpoint
44 Prison guard, in slang
45 Air shafts for mines
46 Lewd
48 Sweep with binoculars
49 Decapitates
56 Hearty?
54 Clockmaker Terry
55 Embroidery style
57 Kind of camera: Abbr.
58 Margarita garnish
59 Author Welty
60 Grab a bite
61 "Waiting for the Robert ——"
62 Let live

DOWN
1 Rotating engine parts
2 Over
3 Amex *alternative*
4 Pharmacist's concerns
5 Coffee choice
6 Diplomat's quest
7 Mercedes *competitor*
8 University environment
9 Ancient galleys
10 Auxiliary wager
11 Diner entree
12 Al et al.
13 Hungarian wine
18 Nosed (out)
22 ——cake (baby's game)
25 "Suppose they gave —— . . ."
26 Sign of The Times?
27 Tuxedo accompaniment
31 River to Donegal Bay
32 Hurdles for srs.
36 Behold, to Pilate
37 Something cloying
38 Plant runner
39 Absolutely fabulous
40 Platters
41 Covers *completely*
42 Nascent company
43 Shaw play
46 Corpulent
47 Italian's word of approval
51 "Ripley's Believe —— Not!"
52 4,047 square meters
53 Neighbor of Nigeria
56 Bishop's jurisdiction



Puzzle by Rose White

© New York Times/Edited by Will Shortz

Harry's
Est. 1911, Paris
"Sank Roo Doe Noo"
A Space for Thought.

Solution to Puzzle of May 21

V	A	S	E		F	L	O	R	A			T	E	T
I	M	U	S		L	A	Y	E	R		S	I	L	O
D	O	N	T	H	A	V	E	A	C	O	W	M	A	N
A	R	S		A	M	I	N	D		P	E	O	N	Y
L	E	T	I	T	B	E		B	E	A	R	D		
		R	O	S	E		S	C	A	N	T			
I	R	O	N			S	T	O	R	E		R	E	S
T	A	K	E	A	D	E	E	P	B	R	E	A	T	H
O	W	E		V	I	L	A	S		N	I	C	E	
		W	I	E	L	D		M	A	I	N			
C	H	E	A	T			C	O	L	D	W	A	R	
S	H	Y	E	R		R	A	I	S	A		A	L	E
K	E	E	P	Y	O	U	R	S	H	I	R	T	O	N
Y	E	N	S		A	L	I	C	E		C	E	N	T
E	R	A			F	E	D	O	R		A	R	E	S

lue

lace Stitches

a new product, Dermabond, whose manufacturer, Closure Medical Corp. of Raleigh, North Carolina, financed the study. The company is awaiting approval by the Food and Drug Administration and expects a decision this year. If approved, it would be the first medical adhesive available in the United States.

In addition to emergency room injuries, doctors say that medical adhesives could replace stitches and staples in closing certain surgical wounds. A study published in the February issue of The Journal of Otolaryngology, also financed by Closure Medical, found Dermabond to be as good as stitches for head and neck incisions from such procedures as cancer surgery, thyroidectomies and biopsies.

THERE are some drawbacks to all kinds of medical glue, Dr. Quinn said. For one thing, it cannot be used on the feet, hands or joints because the repetitive movement of those areas can cause it to peel off, taking the top layer of skin with it. Also, frequent handwashing can wash it off, although a daily shower does not seem to be a problem.

Another drawback is that medical glue is tricky to use. Dr. Quinn said it was unpopular in certain parts of Canada because many doctors used it improperly and got poor results.

ife on Moons

© New York Times Edited by Will Shortz

Solution to Puzzle of May

Herald INTERNATIONAL Tribune

BUSINESS/FINANCE

THURSDAY, MAY 22, 1997

Yeltsin Outlines Proposal To Redirect Economy

Budget Seeks to Reduce Role of State

By Michael R. Gordon
New York Times Service

MOSCOW — The Russian government Wednesday made its case for slashing the federal budget and redirecting the nation's economic priorities as it outlined a new spending plan that aimed to reduce the government's overall role in the economy.

The plan, which reflects the influence of Boris Netmsov, Anatoli Chubais and other reformers in the government, would also severely cut industrial and agricultural subsidies, while continuing to pay back wages and pensions.

It sharply pares spending on the beleaguered Russian Army, reflecting the Kremlin's assessment that the primary threat to the country is the failure of economic reform, not foreign militaries.

Under the new plan, which was outlined before the Parliament by Prime Minister Viktor Chernomyrdin, the 1997 budget would be cut by 108 trillion rubles ($18.87 billion), a 20 percent reduction.

That would reduce federal spending to 15.5 percent of gross domestic product, down from the 19.4 percent anticipated in the original version of the 1997 budget, which the Parliament adopted earlier this year.

The plan was prepared after the government's campaign against tax delinquents failed to increase revenue.

In a surprisingly blunt speech before Parliament, Mr. Chernomyrdin acknowledged that the tax crackdown netted only 65 percent of anticipated revenues this year.

"I should say frankly that the government has failed to accomplish all the measures that were planned," he said. "We have no right today to indulge in the hope that the situation will be stabilized of its own accord. It would be more honest to admit that we exaggerated our capability to bring in more revenue."

Mr. Chernoymridin also firmly rebuffed Communist demands that Russia try to cover the shortfall by printing more money.

"It is said this will be like oxygen for the economy," he said. "This will not be oxygen. This will be something that you inhale only once and then for shudder for the last time in your life."

In pressing for cuts Yeltsin aides say they are willing to listen to the Parliament's ideas about how to cut the budget and raise revenue. But there is little doubt that massive spending cuts need to be made.

The origin of the budget crunch were laid this winter when the Yeltsin government and the Parliament agreed on a 1997 budget that raised federal spending to 530 trillion rubles.

"Neither the government nor most Duma members have the courage and determination to say: let us divide the available money," Yegor Gaidar, the former prime minister and the head of leading reform-minded research center said earlier this year. "The state is the main source of disorder and chaos in the economy because it gives out promises and does not fulfill them."

But it was the revenue shortfall that forced the government's hand.

Not only has the tax crackdown failed to boost revenue, according to some calculations revenue has actually decreased. Western economists say that during the first quarter of 1997 revenue amounted to 6.5 percent of gross national product. Last year, revenue was 9.5 percent, though that figure was inflated by the liberal use of tax credits. During 1992, revenue was 16.5 percent.

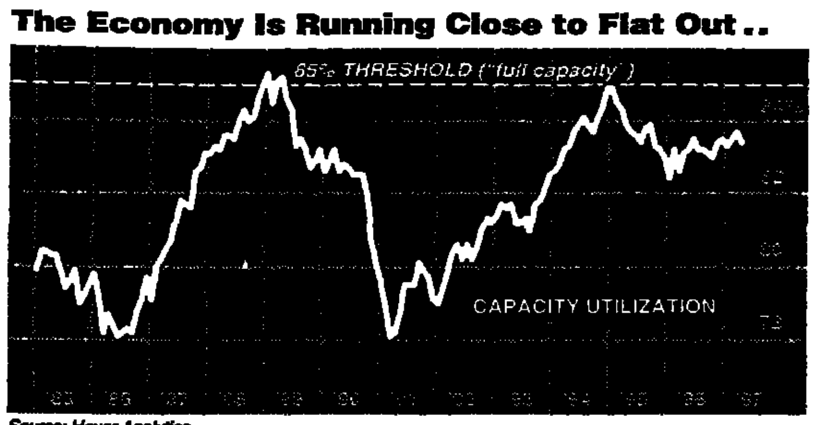
Faced with a shortage of funds and determined not to fuel inflation by printing more money, reform-minded officials took advantage of the crunch to by drafting a comprehensive budget sequestration to reorient spending.

"This conforms to our strategic goal of cutting back government expenditures as a share of GDP, which will provide the conditions for gradual reduction of the tax burden," Alexi Kurdin, the first deputy Finance Minister, said.

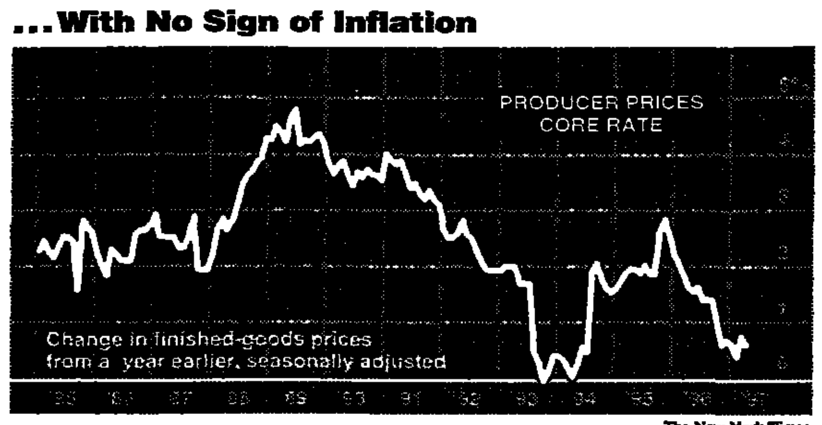
The Yeltsin government insists its cuts will not interfere with paying of back wages and pensions. But many of the Communist-dominated Parliament's favorite programs would be hit hard.

The Russian military, already in a state of near-collapse, is a major target. Spending on national defense will be cut from 104 trillion rubles to 83 trillion billion.

The Economy Is Running Close to Flat Out ..



... With No Sign of Inflation



Source: Haver Analytics

The New York Times

U.S. Seems to Be Slowing, With or Without Fed

By Louis Uchitelle
New York Times Service

NEW YORK — Whatever the Federal Reserve Board does over the next few months, the U.S. economy appears to be heading, on its own, into a period of slower economic growth.

"Weaker is not bad," said Robert Reischauer, a fellow at the Brookings Institution. "We are still talking about positive economic growth."

Virtually no economist is predicting a recession, but many see a slowdown to perhaps half the booming annual growth rate of more than 4 percent that prevailed from October through March. Many analysts consider such rapid growth to be inflationary, if it lasts long enough. Eventually, with very strong growth, shortages of labor and merchandise develop and push up wages and prices.

But spurts of more rapid growth during the U.S. economy's current expansion, such as the one this past winter, have not lasted long. The gross domestic product, or value of all goods and services a nation produces in a given year, has risen at an average annual rate of only 2.7 percent since the last recession ended in the spring of 1991.

That growth rate has not been strong enough to create the shortages that push up inflation. Going back to the start of the decade, the growth rate is even lower, a mild 2.1 percent a year, if the 1990-91 recession is averaged in.

The economic expansion of the 1990s, now in its seventh year, has been marked by alternating periods of strong and weak growth. A booming 1994, for example, was followed by a weak 1995, mostly because the Fed had raised interest rates sufficiently to slow the economy. The slowdown under way now — after a winter in which the economy boomed — appears to reflect more natural causes.

"With the economy slowing, it is quite plausible that we can have a 2.5 percent growth rate and the Fed does not have to lift a finger," Lee Price, chief economist at the Commerce Department, said. The Fed's top officials, at their policy meeting Tuesday, decided not to follow a rate increase in March with another one now.

Since early April, U.S. retail sales have fallen, and stockpiles of unsold goods have piled up. This inventory accumulation accounted for a big chunk of the strong economic growth in the first quarter.

Working off those stockpiles now, in the face of weaker retail sales, means cutbacks in industrial production, at least temporarily. These cutbacks have already begun to show up in government statistics as weaker growth in the second quarter.

"What is going on now is a mini-inventory correction," said Lyle Gramley, a consulting economist at the Mortgage Bankers Association and a former Fed governor. "That is normally a short phenomenon."

The big question is how long the slowdown will last. There is no way to answer that question yet. If the inventory correction follows a typical pattern, the economy might be growing more strongly again by this autumn or winter, once retailers and wholesalers decide to step up orders to restock their shelves.

Some ingredients of last winter's strong growth, however, might not recur. Warm winter weather, for example, encouraged shopping and construction activity, as did an unexpectedly large flow of income-tax refunds in the weeks before April 15.

Stalking the Fed's Rate Moves From the 'Foxhole'

By Jill Dutt
Washington Post Service

NEW YORK — Jim Cramer got to his office at 4:30 A.M. to plot strategy. It was the day the Federal Reserve Board would decide whether to raise short-term interest rates, and Mr. Cramer wanted to be prepared.

The president of the money-managing firm Cramer, Berkowitz & Co., Mr. Cramer manages $265 million for wealthy clients and friends from a small Wall Street office that he calls the "foxhole."

Every day, and this Tuesday in particular, he hunkers down to do battle with the financial markets, trying to be quicker, smarter and more intuitive in distilling an overload of information into decisions about the right stocks to buy and sell and the right time to do either one.

So there he was before dawn, drawing up a plan of action for zero hour: the moments after 2:10 P.M., when the Fed would announce its decision.

If the Fed raised rates a quarter of a percentage point, Mr. Cramer would buy recession-resistant stocks, such as McDonald's Corp., PepsiCo Inc. and Philip Morris Inc. A "disaster scenario" of a half-point increase would mean buying Kellogg Co. and General Mills Inc. while selling retailers.

No change in rates would mean cyclical and financial issues: Citicorp, Du Pont Co., Microsoft Corp. and NationsBank Corp.

"I'll get all I can," Mr. Cramer said, "but only if the stocks are in line" — meaning if others had not beaten him and the stocks' prices had not surged before he could place his order. "I'll be rigorous about this, not emotional."

Mitsu Yasukawa/The Washington Post

Jim Cramer battling the markets.

Mr. Cramer admits he is obsessed with the stock market. Isn't everybody these days, with the Dow Jones industrial average well over 7,000 points? But Mr. Cramer is really obsessed.

"I go crazy about this," he said the other day. "I go to a ballgame and see a sign for Budweiser; I start thinking: Now, Anheuser Busch at 43 … ."

On Tuesday, obsession paid off. Mr. Cramer bought NationsBank at $59 a share just seconds after the Fed announced no change in interest rates. The stock jumped to $60.25. He also got a whopping 50,000 shares of Microsoft at $116; it closed at $119.125.

"There was a monster seller who wasn't paying attention to the fact the whole world had changed," Mr. Cramer said with glee.

The Fed makes one decision to stand pat on interest rates, and that means the whole world has changed?

"Sure it has," Mr. Cramer said. "The Fed's not meeting again until July. That's a lifetime away. They tell me inflation's not a problem, and I believe them. They tell me I'm free to go out and do what I want. Today is the first day of the summer rally, and it will last until July. I got an opportunity to get on today, and I feel great."

Mr. Cramer did miss out on Citicorp. He wanted to buy at no higher than $117, but the stock leaped immediately from $115.50 to $118. "To get that trade, you would have had to place your bet before the announcement, and I can't play that way. Too risky."

Mr. Cramer gets up at 3:30 most mornings and works at home before getting to the office by 5:30. Every day he reads 16 newspapers and hundreds of research reports and news releases, always looking for an edge on a stock. He often gets one. His compound annual return to investors is 22 percent since January 1988, compared with 14 percent for the Standard & Poor's 500-stock index.

He has two loves: playing the market and telling people how he is playing the market. He is a regular commentator on CNBC, and he is a co-owner of and columnist for thestreet.com, a World Wide Web newsletter for fellow market junkies. His openness about how and what he trades is unusual on Wall Street, and it once got him into trouble.

He wrote a magazine article about four small stocks he loved and owned. The thinly traded shares all soared in price, and the Securities and Exchange Commission checked to see whether he might have profited from manipulation. But Mr. Cramer had not sold his shares into the rally, and the SEC quickly dropped its inquiry.

Mr. Cramer no longer gives advice on whether to buy or sell individual stocks.

He buys and sells constantly to make profits of about 50 cents a share, selling when he thinks investors are getting too exuberant and buying when he thinks they are too gloomy.

"The vast majority of what I do is try to assess whether the market itself is wrong on a short-term basis," he said between shouting orders to his staff of seven and tapping among six computers on his trading desk.

On a recent day when the Dow was up a lackluster 35 points on low trading volume, for example, Mr. Cramer made 100 stock trades and 50 options trades. He was in and out of several companies' shares in just a few hours.

But that does not mean he hasn't heard of buy-and-hold investing. About half of his $265 million portfolio is invested in companies he rarely trades. His best trade ever, he says, was a seemingly simple one: He bought Intel Corp. shares eight years ago and held on to them.

During the fiasco three years ago

See FOXHOLE, Page 15

Bundesbank Council Member Sees 'Tense' Talks on Reserves

Bloomberg News

FRANKFURT — A senior Bundesbank council member warned the government Wednesday that it faced "tense" discussions with the central bank's 17-member council over plans to revalue the bank's gold reserves.

"If it comes to a quick payout, then we would need a very serious discussion about the inflation dangers and the damage to credibility it would do," the council member, Hans-Juergen Koebnick, said in Mainz. He said the request for revaluation was "not a happy event at this phase of consolidation," nor for the process of budget-cutting for European economic and monetary union.

The government is desperate to refill its coffers as the deadline approaches to qualify for monetary union.

In its 1996 annual report, the Bundesbank valued its gold reserves at 13.7 billion Deutsche marks ($8.06 billion). At current market value, those holdings would be worth about 57 billion DM.

The profit would be transferred to the federal government's balance sheet under "profit and property income" and remove about 1.5 percentage points from its debt as a proportion of gross domestic product. That would put the debt level at or near the 60 percent of GDP needed to qualify for the common currency. To qualify for monetary union countries also must have budget deficits no that more than 3 percent of GDP. Mr. Koebnick said it appeared Germany would not make that cutoff "without tricks."

A waiver of the criteria "wouldn't be optimal," he said. "If Germany doesn't meet 3 percent, it would be very painful and a waiver would mean Germany's voice in EMU would carry less weight."

EU Acts Cautiously in Move on Boeing-McDonnell Merger

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Commission gave the green light Wednesday for the sending of a statement of antitrust objections to Boeing Co. regarding its planned acquisition of McDonnell Douglas Corp., and stressed its determination to apply European merger rules objectively, officials said.

The careful stance, as well as a clampdown on public comments on the case, was seen as a clear response to charges from several American politicians that Europe's antitrust review was being influenced by a political desire to help Airbus Industrie, Boeing's European competitor.

The caution also reflected widespread concerns within the commission, the European Union's executive agency, about the potential for a major trans-Atlantic trade dispute over the case. Boeing is America's leading exporter while Airbus is its chief competitor, and Europe's best success story in government-assisted industrial planning.

"Because it is a political matter, the commission should be seen to follow the rules," a commission official said.

Karel van Miert, the competition commissioner, whose blunt public criticism of the Boeing-McDonnell deal in recent weeks has angered the companies, seven U.S. senators and senior officials in the Clinton administration, also adopted a lower profile, briefing his colleagues on the case at the commission's weekly meeting but declining to comment publicly.

Commission officials said Mr. van Miert had reiterated his strong concerns about the merger's impact on competition and confirmed that his merger task force would send a lengthy list of objections to Boeing and McDonnell, most likely on Thursday.

Previously, Mr. van Miert has called Boeing's long-term, exclusive-supplier contracts with American Airlines and Delta Air Lines unacceptable, and commission sources have threatened fines of up to 10 percent of the combined company's sales, which would amount to penalties of close to $5 billion, if those contracts are not rewritten.

Boeing has insisted that the contracts, and the broader merger, be handled primarily by U.S. antitrust regulators because they involve only American companies.

Separately, Mr. van Miert also briefed the 20-member commission about his objections to the proposed link-up between British Airways and American Airlines.

Mr. van Miert has called for the two companies to give up hundreds of take-off and landing slots at London's Heathrow Airport to reduce their dominant 60 percent share of the lucrative North Atlantic air routes.

The BA-American deal suffered a second potential setback on Tuesday when Senator Orrin Hatch, Republican of Utah, urged the U.S. Justice Department to hold public hearings on the alliance.

Those hearings would add at least six weeks to the U.S. antitrust review of the alliance and give competitors of the two airlines a public stage to press their complaints about the deal.

CURRENCY & INTEREST RATES

Gross Rates

May 21

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9855	3.1405	1.1343	0.3338	0.1143*	—	5.4465*	1.3484	1.6676*	1.395	1.335*
Brussels	34.48	57.645	20.6425	6.1315	2.0857*	18.362	—	24.72	0.286	25.44	24.50*
Frankfurt	1.6826	2.7917	—	0.2969	0.1016*	0.8896	4.8444*	1.2021	1.402*	1.2386	1.188*
London (a)	1.6407	—	2.7945	9.4116	2,749.95	3.1416	57.672	2.329	188.3405	2.2509	235.377
Madrid	143.076	234.71	84.178	24.993	8.547*	74.883	4.0703	100.0895	125.012*	104.108	—
Milan	1,660.75	2,753.00	984.30	292.15	—	876.00	47.725	1,182.50	14.408	1,218.20	11.696
New York (b)	—	1.6407a	1.694	5.7855	1,669.00	1.9043	35.165	1.408	114.345	1.3673	142.005
Paris	5.8047	9.391	3.368	—	0.343*	2.9982	0.1632	4.0423	5.002*	4.1658	4.0815*
Tokyo	113.80	188.34	67.64	20.09	0.687	60.17	3.2776	81.88	—	83.38	0.8032
Toronto	1.3675	2.2483	0.8067	0.2394	0.082*	0.7176	0.3908*	0.9785	1.1969*	—	0.957*
Zurich	1.432	2.357	0.8333	0.2474	0.0847*	0.7444	4.095*	—	1.2381*	1.0037	0.9894*
1 ECU	1.687	0.7026	1.9591	6.5984	1,929.46	2.2023	40.4372	1.6323	131.918	1.5841	164.986
1 SDR	1.3993	0.8503	2.3758	N.Q.	2,334.34	2.6787	48.9164	1.9716	161.27	1.9246	192.975

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 p.m. and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	264.91	Mex. peso	7.876	S. Afr. rand	4.457
Australian $	1.2858	Hong Kong $	7.7365	N. Zealand $	1.4405	S. Kor. won	890.80
Austrian sch.	11.877	Hung. forint	180.84	Norw. krone	7.0262	Swed. krona	7.5152
Brazil real	1.068	Indian rupee	35.785	Phil. peso	26.37	Taiwan $	27.80
Chinese yuan	8.3219	Indo. rupiah	2444.0	Polish zloty	3.15	Thai baht	25.43
Czech koruna	30.43	Irish £	0.6541	Port. escudo	169.68	Turkish lira	137850.
Danish krone	6.4242	Israeli shek.	3.384	Russ ruble	5753.0	UAE dirham	3.671
Egypt. pound	3.3952	Kuw dinar	0.300	Saudi riyal	3.75	Venez. boliv.	482.00
Fin. markka	5.0949	Malay. ring.	2.4994	Sing. $	1.4301		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6517	1.6508	1.6498	Japanese yen	113.20	112.70	112.17
Canadian dollar	1.3604	1.3575	1.3547	Swiss franc	1.4016	1.3968	1.3915
Deutsche mark	1.6840	1.6804	1.6763				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

May 21

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 11/16	3 - 3⅛	1½ - 1⅝	6⅛ - 6¼	3¼ - 3⅜	½ - 9/16	4 - 4⅛
3-month	5 13/16 - 5¾	3 1/16 - 3⅛	1⅜ - 1¼	6¼ - 6½	3 5/16 - 3⅜	½ - ⅝	4 - 4⅛
6-month	5 13/16 - 5 15/16	3⅛ - 3¼	1⅜ - 1½	6 7/16 - 6 9/16	3 7/16 - 3½	9/16 - 11/16	4 1/16 - 4 3/16
1-year	5 15/16 - 6 1/16	3¼ - 3 7/16	1⅞ - 1¾	6 11/16 - 6 13/16	3 11/16 - 3 13/16	9/16 - ⅞	4⅜ - 4½

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5½	5⅝
90-day CDs dealers	5.67	5.78
180-day CP dealers	5.60	5.70
3 month Treasury bill	5.00	5.13
1-year Treasury bill	5.47	5.50
2-year Treasury bill	6.22	6.21
5-year Treasury note	6.56	6.54
7-year Treasury note	6.63	6.60
10-year Treasury note	6.73	6.70
30-year Treasury bond	6.97	6.93
Merrill Lynch 30-day RA	5.00	4.99
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.46
1-month interbank	0.52	0.52
3-month interbank	0.53	0.53
6-month interbank	0.61	0.61
10-year Govt bond	2.82	2.70
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.00
1-month interbank	3.15	3.06
3-month interbank	3.20	3.10
6-month interbank	3.25	3.12
10-year Bond	5.84	5.82

Britain	Close	Prev
Bank base rate	6¼	6¼
Call money	6⅝	7½
1-month interbank	6 5/16	6 5/16
3-month interbank	6⅜	6¼
6-month interbank	6½	6½
10-year Gilt	7.14	7.10
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3¼	3¼
3-month interbank	3 5/16	3 5/16
6-month interbank	3⅜	3⅜
10-year OAT	5.68	5.67

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	342.20	—0.50
London	342.25	342.70	—0.30
New York	343.90	343.70	+0.30

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (June.)
Source: Reuters.

Clear Sky for U.S.- Seoul Pact

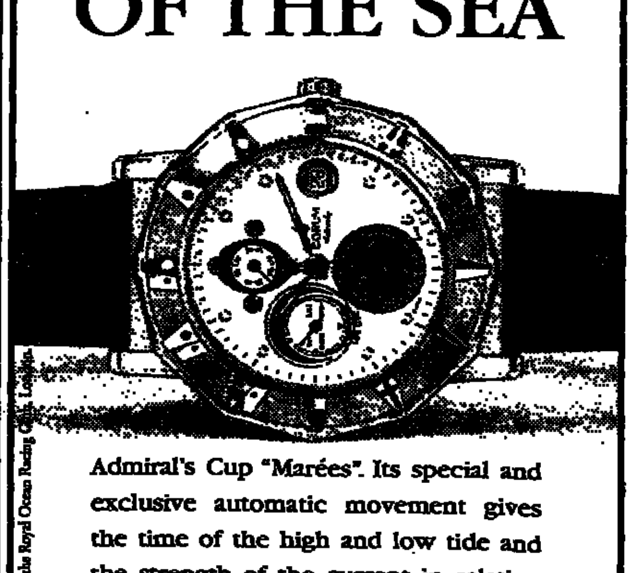
Compiled by Our Staff From Dispatches

SEOUL — South Korea said Wednesday that it could reach agreement with the United States on an open-skies accord as early as July, following a successful first round of talks. The U.S. side also expressed satisfaction with the talks.

The talks with South Korea, proposed last year, are regarded as highly important for the success of negotiations in Asia because Japan and China, the two largest Asian powers, are negative or indifferent to them.

Two South Korean airlines fly 173 passenger and cargo flights to the United States a week, while nine U.S. airlines make 96 such flights to South Korea. U.S. airlines also make 72 weekly flights to Hong Kong, Taipei, Singapore, Kuala Lumpur and other Asian points by way of Seoul. *(Bloomberg, AP)*

SPIRIT OF THE SEA



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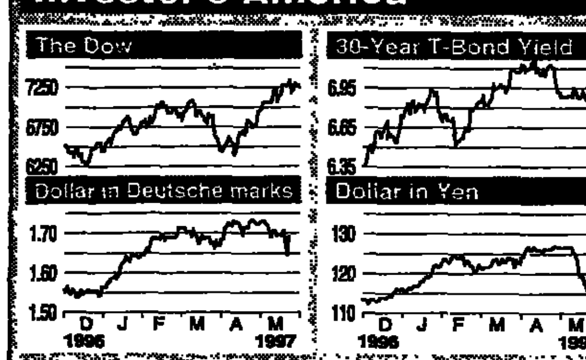


Exchange	Index	Wednesday 4 P.M.	Prev. Close	% Change
NYSE	The Dow	7290.69	7303.46	-0.17
NYSE	S&P 500	839.39	841.66	-0.27
NYSE	S&P 100	826.28	828.32	-0.25
NYSE	Composite	436.21	437.29	-0.23
U.S.	Nasdaq Composite	1373.75	1363.88	+0.72
AMEX	Market Value	592.08	590.76	+0.22
Toronto	TSE Index	6309.69	6260.19	+0.79
São Paulo	Bovespa	10714.88	10640.83	+0.70
Mexico City	Bolsa	3873.15	3853.06	+0.51
Buenos Aires	Merval	783.54	754.01	+1.26
Santiago	IPSA General	Closed	5401.21	-
Caracas	Capital General	6632.87	6564.38	+1.09

Source: Bloomberg, Reuters — International Herald Tribune

Freeing Banks for Business

U.S. Proposal Would Expand Links to Commerce

The Associated Press

WASHINGTON — President Bill Clinton's administration asked Congress on Wednesday to modernize the U.S. financial-services system by removing Depression-era limits on how banks, brokerage firms and insurance companies do business.

Under the proposal, outlined in a speech by Treasury Secretary Robert Rubin, banks, securities firms and insurance companies would be able to affiliate with one another.

Federally insured banks would also be permitted to offer a wide range of financial services they now can provide only through a complex holding-company structure.

"Our objective is simple: modernizing financial services in a way that will benefit consumers, businesses and communities, enhance competitiveness of our industry worldwide and protect the safety and soundness of our financial institutions," Mr. Rubin said. Opponents of mixing banking and commerce, including the chairman of the House of Representatives Banking Committee, Jim Leach, Republican of Iowa, have argued it would create dangerous concentrations of economic power and risk conflicts of interest.

"It means a totally different economic system for the United States," said Kenneth Guenther, executive vice president of the Independent Bankers Association of America, which represents community banks.

"There will be fewer and bigger competitive units," he said. "For the small business person, see if he can get impartial credit if his competitor down the street is owned by the bank."

But the administration left open for now its stance on the question of whether banks should be permitted to own commercial companies whose activities could range from manufacturing to real estate development.

TRADE: *U.S. Deficit Narrows as Exports Hit a Record*

Continued from Page 1

report was considered good news. Cynthia Latta of the forecasting company DRI/McGraw Hill near Boston, said, "I think the important thing is that our exports picked up and look pretty strong."

With the dollar's recent advance apparently having come to an end, she said that performance could continue: "U.S. manufacturing and services are very, very competitive."

Ms. Latta added that American companies "are much more interested in selling abroad than they were at one time."

She said, "Fifteen, 20 years ago, they didn't think there was anybody abroad who could afford to buy their stuff. That mindset has changed dramatically."

Samuel Kahan, who runs A.S.K. Financial Research Ltd. in Chicago, agreed the trade data showed a growing American economy, but he cautioned that the numbers only approximately measured the country's commerce.

"A lot of software sold on the Internet may not be properly evaluated," he said by way of example, nor are the economic activities of foreign students in the United States entirely captured.

Mr. Kahan was sanguine about the large deficit with Japan, which widened by about 8 percent in March, to $4.6 billion. He said the problem was largely a reflection of Japan's domestic situation, with markets that place substantial obstacles in the way of exporters. This forces Japanese consumers to finance the country's trade surplus, he said, and that situation is eroding.

China, however, is "a much more difficult nut to crack," he said. While the country is clearly producing low-tech goods at inexpensive prices for world markets, a factor helping to limit inflation, what it chooses to do with its export earnings could become important. If the money is being used to finance capital improvements, that will benefit the country's economy and help integrate China with the rest of the world. But if it is being used to buy "ostentatious goods," that would be bad.

Lingering Rate Fears Drive Stocks Lower

Compiled by Our Staff From Dispatches

NEW YORK — Stocks retreated from record levels Wednesday, led lower by financial shares, on concern that the Federal Reserve Board will raise U.S. interest rates later this year after deciding not to Tuesday.

The Dow Jones industrial average fell 12.77 points to close at 7,290.69 after briefly touching an all-time high of 7,352.91. The Standard & Poor's 500-stock index fell 3.11 points to 839.39, losing an early gain that pushed it to a record.

Also helping drive stocks lower was a government trade report that showed record exports and imports, which revived concern that the Fed may raise the federal funds rate above its current 5.5 percent to slow the economy and head off inflation. "There's still that cloud hanging over the market" that the Fed may raise interest rates when it meets July 1 and 2, said Don Hays, director of investment strategy for Wheat First Butcher Singer.

The trade report and interest-rate uncertainties punished bond prices. The benchmark 30-year Treasury bond fell 21/32 to 95 27/32, pushing the yield, which moves in the opposite direction from the price, up to 6.96 percent Wednesday from 6.90 percent Tuesday.

J.P. Morgan, one of the bank companies most sensitive to changes in borrowing rates, led the Dow lower, falling 1⅜ to 103⅝ in late trading. Citicorp fell 3 to 117⅛, Chase Manhattan slid 2½ to 94, BankBoston was off 1⅞ to 74⅞, Bank of New York fell 1⅜ to 41, and Bankers Trust New York slipped 1⅞ to 81½. Other Dow components that declined were DuPont, down ⅝ to 110¼, and Johnson & Johnson, off 1½ to 59⅜.

The technology-heavy Nasdaq Composite index, meanwhile, was up 5.93 points at 1,369.81. Dell Computer, which jumped 8¼ in late trading to 107¾, led the index higher. The company's first-quarter earnings more than doubled, topping analysts' estimates. Other technology gainers included Compaq

U.S. STOCKS

Computer, up 7¼ to 104¼; Microsoft, up 1⅞ to 121; Intel, up 2¾ to 163¾; Cisco Systems, up 1½ to 65⅞, and Oracle, up 1½ to 46¾.

Schering-Plough, which makes the top-selling antihistamine Claritin, rallied 2⅝ to 89¾. The company raised its 1997 earnings-per-share growth estimate.

The recent advance in share prices to records has been good news for shares of companies that own mutual-fund advisers. T. Rowe Price Associates gained 2¼ to 50, Franklin Resources climbed ¾ to 64½, and Marsh & McLennan, which owns Putnam Investments, gained 1⅜ to 130.

The Dow Jones transportation average briefly leaped to a record before slipping to 2,662.54, down 11.10. The climb to a record is a good omen for the stock market, investors said, because brisk demand for transportation services suggests manufacturing companies and the economy are doing well. Among the gainers, CSX rose ⅜ to 51⅜, Union Pacific rose ⅜ to 67½, and Burlington Northern Santa Fe gained ¾ to 81¼.

(Bloomberg, AP)

Very briefly:

Household International Expands

NEW YORK (Combined Dispatches) — Household International Inc. agreed to acquire the consumer-lending business of Transamerica Corp. for $1.1 billion in cash, a move that will almost double Household's branch network, the companies announced Wednesday.

Through several subsidiaries, Household International, based in Prospect Heights, Illinois, makes home-equity and unsecured loans to consumers who may have trouble borrowing from banks. The units also offer credit cards, credit life insurance and used-car loans.

In addition to being one of the top U.S. providers of consumer loans, San Francisco-based Transamerica sells life insurance, tax services and transportation equipment.

The move "fits Household's strategy — it is low-risk, and it adds to earnings," said Gary Gordon, an analyst at PaineWebber Inc. *(AP, Bloomberg)*

Tyco Plans to Acquire Keystone

HOUSTON (AP) — Keystone International Inc., a manufacturer of industrial pipes and valves, will be acquired by Tyco International Ltd. for stock valued at about $1.2 billion, the companies announced. Houston-based Keystone has annual revenue of approximately $700 million.

Tyco International, based in Exeter, New Hampshire, is a manufacturing concern not related to Tyco Toys Inc. Its products include disposable medical products, fire extinguishers and valves. It operates in more than 50 countries and has revenue of more than $6 billion annually.

• Wells Fargo & Co. said its president, William Zuendt, would retire before the end of the year.

• BMC Software Inc. said it had acquired closely held DataTools Inc. for $60 million to expand its product line.

Bloomberg

Despite Rise in Czech Interest Rates, Koruna Devaluation Is Still Seen

By Peter S. Green
International Herald Tribune

PRAGUE — The Czech koruna stabilized Wednesday as central bankers again raised interest rates to fend off speculators.

"For the time being, the central bank is winning, but we believe that in the end the koruna will lose 10 to 15 percent," said Vladimir Kreidl, an economist with Patria Finance in Prague.

On the interbank market, dealers reported that the overnight rate hit 550 percent as cash-strapped Czech banks struggled to fill their coffers to meet the central bank's biweekly check on minimum reserves.

The rate increases appeared to slow the koruna's slide in European trading. In morning trading in New York the dollar was quoted at 30.43 koruny, down from 30.55 a day earlier. Dealers and economists, however, said a devaluation of between 5 percent and 15 percent still was inevitable and could come this weekend.

"Every day we have these high interest rates; the situations of an increasing number of industrial and financial companies is worsening," Mr. Kreidl added. The central bank pegs the koruna to a basket of dollars and Deutsche marks and has been struggling to keep it within a range

FOREIGN EXCHANGE

of 7.5 percent on either side of the central rate. But the continued poor performance of the Czech economy and the government's apparent inability to cut its trade and current-account deficits have fueled speculation that the currency would fall.

If the koruna is devalued, "there would be other currencies within Eastern Europe that would be targeted, the most obvious being the Slovak crown," said Paul Lambert, an economist at UBS in London.

■ U.S Trade Data Lift Dollar

The dollar was higher against other major currencies late Wednesday after the U.S. government reported a bigger-than-expected 19 percent decline in the March trade deficit, news agencies reported.

At 4 P.M., the dollar was quoted at 114.345 yen, up from 112.550 yen, and at 1.6940 Deutsche marks, up from 1.6758 DM. It was also at 5.7055 French francs, up from 5.6435 francs, and at 1.4080 Swiss francs, up from 1.3840 francs. The pound fell to $1.6447 from $1.6570.

Meanwhile, the Swiss central bank said it had increased liquidity to contain a rise in the value of the franc and was continuing this policy "in a substantial way."

The bank said funds made available to banks in Switzerland had risen to 4.33 billion francs from between 3 billion and 3.8 billion francs at the beginning of the year.

(Reuters, AFP)

AMEX

Wednesday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]					

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7326.95	7352.91	7239.18	7290.69	-12.77
Trans	2680.11	2689.05	2652.99	2662.54	-11.10
Util	221.39	221.44	219.12	220.11	-1.44
Comp	2281.32	2287.99	2256.47	2268.75	-6.96

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	991.48	975.09	991.22	991.30
Transp.	612.62	602.23	612.17	611.48
Utilities	193.14	190.91	192.52	191.53
Finance	95.00	92.04	94.94	93.34
SP 500	841.96	826.41	841.66	839.39
SP 100	828.96	811.78	828.32	826.28

NYSE

	High	Low	Last	Chg.
Composite	439.41	434.28	436.71	-0.92
Industrials	558.07	552.13	555.00	+0.35
Transp.	403.06	398.81	400.47	+0.24
Utility	269.14	265.73	267.29	-1.36
Finance	397.99	391.10	392.12	-4.64

Nasdaq

	High	Low	Last	Chg.
Composite	1380.69	1368.26	1373.75	+9.87
Industrials	1102.19	1096.62	1099.58	+5.16
Banks	1461.66	1453.52	1457.43	-2.22
Insurance	1515.11	1503.98	1508.90	+1.12
Finance	1781.84	1773.41	1775.45	+2.87
Transp.	918.90	913.16	918.90	+7.18

AMEX

High	Low	Last	Chg.
593.00	590.55	592.08	+1.32

Dow Jones Bond

	Close	Chg.
20 Bonds	102.22	+0.36
10 Utilities	99.09	+0.33
10 Industrials	105.35	+0.38

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
US Airway	174653	37⅜	34⅜	34⅞	-3
Seagate s	150211	43⅝	41⅛	42⅝	-2⅛
PhilMor s	100289	44½	42¾	44⅜	+1⅜
AT&T s	72653	34⅞	34	34⅜	+½
Compaq	67943	104⅝	98⅝	102⅝	+5⅝
Keyfnt	62596	32⅝	30⅝	31⅛	+10⅝
GenElec s	57886	63⅛	61⅛	61⅛	-⅜
GTE	53607	42½	41½	41⅝	-⅞
HewlPk s	52737	54½	53	54	+1⅛
WstgEl	52531	17½	17	17	-⅛
WDigtl	45608	63⅝	58⅜	58⅝	-4½
PepsiCo	44230	37⅜	36⅜	36⅜	-1⅛
FordM	44099	37⅜	36⅝	37⅛	-⅜
MicnT	41746	37⅜	36	36⅝	-⅜
ABN Am n	41061	18⅝	18⅜	18⅝	—

Nasdaq

	Vol.	High	Low	Last	Chg.
Cisco	156173	66⅞	64⅛	65⅞	+1⅜
3Com	132115	41⅝	39⅜	41⅜	+2⅝
Intel	131025	165½	162	162½	+1¼
DellCpt s	127264	107¾	105	106¾	+7⅛
Quantum	117407	37⅝	37	37⅜	-3⅝
ReadRt	103179	23⅛	20⅝	21½	-2⅛
MicrsR s	95704	122⁹⁄₁₆	119⅝	120⅝	+1⅛
Oracle	89310	47⅜	45⅝	46⁹⁄₁₆	+1⁹⁄₁₆
SunMic s	76327	34	32⅝	33	—
ApldMat	67395	70	66⅛	66⅞	-3⅞
Biogen s	61437	35⅛	32⅞	33½	-2
PairTch s	57289	18½	17⅝	18⁵⁄₁₆	+⅝
Gate2000	58821	75⅝	69⅞	69⅝	-1⅞
Ascend	57718	51⅝	50	51½	+1½
C-CUBE	55672	20½	18⅝	18⅝	-1⅞

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	11715	84⅝	83⁵⁄₁₆	84⅛	-⅛
Nabors	8280	22⅝	21½	22	+⅜
XCL Ltd	8012	¼	⅞	⅞	-⅛
Hasbro s	6990	28⅝	27⅜	28	+⅞
WEB Jpn	6923	14	13⅝	13¹⁵⁄₁₆	-⅛
JTS Corp	6514	1⅛	1½	1⅛	—
Ampex	5833	6⅜	6⅛	6⅝	+⅛
ViacB	5533	29⅝	29⅝	29⅝	-⅛
Metromda	4863	10⁹⁄₁₆	10⅝	10⅝	-⅛
KeyEng	4476	15⅜	15	15¼	+⅜

Trading Activity

NYSE

	Close	Prev.
Advanced	1450	1425
Declined	1140	1047
Unchanged	773	883
Total issues	3363	3355
New Highs	174	110
New Lows	9	6

Nasdaq

	Noon	Prev.
Advanced	1841	2126
Declined	1337	1798
Unchanged	2216	1810
Total issues	5394	5734
New Highs	81	103
New Lows	76	86

AMEX

	Close	Prev.
Advanced	285	306
Declined	265	230
Unchanged	179	167
Total issues	729	703
New Highs	34	21
New Lows	4	7

Market Sales

	Today 4 P.M.	Prev. cons.
NYSE	541.32	537.08
Amex	17.66	20.33
Nasdaq	614.77	531.94

In millions.

Dividends

Company		Per	Amt	Rec	Pay
IRREGULAR					
Cable Wireless		-	.4726	6-2	9-12
Chase Manh adjpf		-	1.438	6-13	6-30
Daimler-Benz		b	.6469	5-28	6-3
Fst Charter		-	.125	6-20	7-15
GA Pwr adj 93		-	.343	6-13	7-1
GA Pwr adj 2 93		-	.373	6-13	7-1
STOCK					
Sun Bancorp NJ		-	5%	6-2	6-25
STOCK SPLIT					
Amer Intl 3 for 2 split.					
Belmont Bncp 5 for 4 split.					
Cliffs Drilling 2 for 1 split.					
Hughes Supply 3 for 2 split.					
Lynx Energy ½ of a share of Serval Growth fund Trust unit for each Lynx A&B share.					
Marsh & McLennan 2 for 1 split.					
INCREASED					
Columbia Gas		Q	.25	6-2	6-16
Commercl NatlF		Q	.18	6-4	6-30
Fst Utd Bcshrs		Q	.20	6-13	6-30
USF&G Corp		Q	.07	7-7	7-31
Wellman Inc		Q	.09	6-2	6-16
REDUCED					
Asset Investors		Q	.06	6-16	6-30
Tech Electro		Q	.03	5-31	6-30
INITIAL					
Amer Intl Grp n		-	.075	9-5	9-19
Capital CityBkGrp		-	.15	6-16	6-30
Compass Bncshrs		-	.2367	6-16	7-1
Delta Pine Land n		-	.03	5-31	6-13
Fst Am Bk Cp n		-	.3133	7-9	7-30
Intel Corp n		-	.03	8-1	9-1
Marsh & McLen		-	.50	7-11	8-15
Roslyn Bncp		-	.05	6-2	6-12
REGULAR					
Allied Cap Land		Q	.32	6-20	6-30
Allstate Corp		Q	.24	5-30	6-27
Chemed Corp		Q	.52	6-2	6-16
Chesapeake Util		Q	.2425	6-13	7-7
CoreStates Fin		Q	.47	6-6	7-1
Dominion Res Blk		Q	.808	5-30	6-9
Fst Commerce		Q	.40	6-13	7-1
Fst Midwest Bncp		Q	.20	6-27	7-22
Gallagher Arthur		Q	.31	6-30	7-15
Ohio Edison		Q	.375	6-6	6-30
Pioneer Grp		Q	.10	6-2	6-9
Questar Corp		Q	.305	5-30	6-23
Royal Caribbean		Q	.14	6-2	6-27
Stanley Works		Q	.185	6-9	6-30
Sturm Ruger		Q	.20	6-2	6-16
Torstar Corp B g		Q	.26	6-16	6-30
YPF SocAnonima		b	.22	5-28	5-30

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

May 21, 1997

Grains

	High	Low	Latest	Chge	OpInt
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Jul 97	278	275	276¾	+½	126,145
Sep 97	264¾	261¼	263½	+¾	28,268
Dec 97	262½	259¼	262	+1¾	112,384
Mar 98	268	265½	267½	+1¼	12,096
May 98	272	269½	272	+2	1,214
Jul 98	276	273	275¾	+1½	2,921
Dec 98	263	260	262¾	+1½	3,302
Est. sales N.A. Tue's. sales 81,115					
Tue's open int 286,934 up 1708					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jul 97	286.20	282.00	284.80	—0.50	52,635
Aug 97	271.60	268.20	270.00	—1.30	15,457
Sep 97	254.00	250.70	251.40	—2.40	9,332
Oct 97	236.30	233.50	234.30	—0.10	10,277
Dec 97	227.10	224.70	224.90	—0.80	19,530
Jan 98	223.30	222.00	222.50	+0.70	1,704
Est. sales N.A. Tue's. sales 26,331					
Tue's open int 111,073 up 1269					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Jul 97	23.48	23.19	23.45	+0.26	51,763
Aug 97	23.70	23.39	23.64	+0.24	14,522
Sep 97	23.80	23.55	23.79	+0.24	8,732
Oct 97	23.83	23.58	23.83	+0.23	8,812
Dec 97	24.01	23.78	24.00	+0.22	18,648
Jan 98	24.16	23.98	24.16	+0.21	998
Est. sales N.A. Tue's. sales 23,521					
Tue's open int 103,850 up 3461					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Jul 97	850	839¼	847¼	+2¼	95,850
Aug 97	821½	812¼	817¾	+¼	22,930
Sep 97	736	730¼	733½	+½	9,099
Nov 97	693	686½	690½	+2	48,875
Jan 98	697½	691	694¼	+1½	4,941
Est. sales N.A. Tue's. sales 75,424					
Tue's open int 184,020 off 1385					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Jul 97	384	379¼	382¼	+1¾	50,272
Sep 97	393	387	389½	+1	13,033
Dec 97	403	399	401½	+1¼	17,386
Mar 98	403	401	403	+¾	1,325
Est. sales N.A. Tue's. sales 22,420					
Tue's open int 82,401 off 1396					

Livestock

	High	Low	Latest	Chge	OpInt
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Jun 97	65.25	64.82	65.22	+0.07	30,263
Aug 97	65.32	64.85	65.30	+0.20	36,905
Oct 97	68.87	68.52	68.85	+0.10	17,802
Dec 97	70.97	70.67	70.95	+0.17	9,440
Feb 98	71.02	70.80	70.95	+0.12	5,184
Apr 98	72.80	72.57	72.80	+0.20	1,466
Est. sales 9,686 Tue's. sales 15,378					
Tue's open int 101,260 up 104					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
May 97	76.70	76.35	76.67	+0.40	2,258
Aug 97	77.78	77.15	77.65	+0.35	10,434
Sep 97	77.55	77.10	77.55	+0.25	2,147
Oct 97	77.62	77.10	77.45	+0.27	3,207
Nov 97	78.85	78.52	78.80	+0.25	1,671
Jan 98	79.55	79.15	79.55	+0.30	407
Est. sales 1,794 Tue's. sales 1,913					
Tue's open int 20,474 up 91					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Jun 97	81.80	80.50	81.75	+0.92	12,818
Jul 97	82.70	81.75	82.57	+0.40	10,468
Aug 97	80.35	79.50	80.22	+0.17	7,091
Oct 97	73.15	72.45	73.12	+0.22	5,615
Dec 97	70.75	70.15	70.65	+0.37	3,480
Est. sales 12,736 Tue's. sales 9,086					
Tue's open int 42,135 off 318					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
May 97	92.42	90.40	92.42	+2.62	231
Jul 97	93.40	91.20	93.35	+2.80	6,334
Aug 97	92.50	90.45	92.40	+2.87	1,483
Est. sales 3,615 Tue's. sales 3,005					
Tue's open int 8,646 off 150					

Food

	High	Low	Latest	Chge	OpInt
COCOA (NCSE) 10 metric tons- $ per ton					
Jul 97	1494	1459	1486	+17	31,445
Sep 97	1519	1490	1512	+17	13,617
Dec 97	1548	1527	1544	+16	18,242
Mar 98	1569	1540	1569	+16	20,573
May 98			1591	+16	8,531
Jul 98			1611	+16	502
Est. sales 6,531 Tue's. sales 3,906					
Tue's open int 94,854 up 6431					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Jul 97	255.00	239.00	253.10	+12.85	15,104
Sep 97	226.00	214.80	225.05	+10.35	7,530
Dec 97	196.15	190.00	196.15	+6.00	5,053
Mar 98	183.00	177.00	183.00	+6.00	1,987
May 98			256.25		353
Est. sales 10,885 Tue's. sales 8,812					
Tue's open int 30,314 off 6434					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Jul 97	11.17	11.07	11.15	+0.10	73,040
Oct 97	10.93	10.84	10.92	+0.08	41,289
Mar 98	10.85	10.77	10.84	+0.08	24,639
May 98	10.78	10.71	10.77	+0.08	5,988
Est. sales 22,717 Tue's. sales 11,207					
Tue's open int 148,786 up 1396					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jul 97	84.20	82.00	82.35	—0.30	16,501
Sep 97	86.25	84.10	84.50	—0.20	7,250
Nov 97	88.05	86.50	86.75	—0.15	3,378
Jan 98	90.00	88.75	89.00	+0.10	1,587
Est. sales N.A. Tue's. sales 3,364					
Tue's open int 30,051 up 301					

Metals

	High	Low	Latest	Chge	OpInt
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
May 97			343.10	+0.40	1
Jun 97	344.00	342.20	343.70	+0.30	56,718
Jul 97			345.00	+0.30	
Aug 97	346.70	344.80	346.30	+0.30	25,638
Oct 97	349.50	348.50	349.10	+0.30	6,878
Dec 97	352.20	350.50	351.90	+0.30	22,417
Feb 98			354.60	+0.30	6,383
Apr 98			357.10	+0.30	3,833
Jun 98			359.90	+0.30	6,989
Est. sales N.A. Tue's. sales 24,440					
Tue's open int 159,466 up 2836					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
May 97	118.95	117.60	118.55	+0.45	1,519
Jun 97	118.75	117.70	118.30	+0.15	3,493
Jul 97	118.85	117.50	118.20	+0.35	33,856
Aug 97	115.90	115.10	115.90	+0.45	1,780
Sep 97	113.80	112.80	113.65	+0.30	6,351
Oct 97	111.90	110.90	111.90	+0.35	1,069
Nov 97			110.15	+0.35	1,177
Dec 97	108.70	107.80	108.70	+0.35	6,731
Jan 98			106.90	+0.10	507
Est. sales N.A. Tue's. sales 10,586					
Tue's open int 61,295 up 770					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
May 97	466.50	465.50	466.50	—1.80	107
Jun 97			467.20	—1.80	2
Jul 97	472.00	467.80	469.50	—1.80	60,145
Sep 97	476.00	472.00	474.50	—1.80	6,394
Dec 97	483.00	479.50	481.70	—1.80	7,257
Jan 98			484.00	—1.80	17
Mar 98	489.50	486.50	489.30	—1.80	7,609
May 98	494.20	465.50	494.20	—1.80	2,709
Est. sales N.A. Tue's. sales 7,810					
Tue's open int 90,268 up 103					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 97	397.60	390.00	392.10	—2.90	14,911
Oct 97	397.00	392.10	392.10	—3.90	4,371
Jan 98	395.50	393.10	393.10	—3.90	1,231
Est. sales N.A. Tue's. sales 5,510					
Tue's open int 20,529 up 861					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1635½	1636½	1619½	1620½
Forward	1650½	1651½	1641.00	1642.00
Copper Cathodes (High Grade)				
Spot	2586½	2588½	2525.00	2527.00
Forward	2507.00	2508.00	2465.00	2466.00
Lead				
Spot	629.00	630.00	610½	611½
Forward	640.00	641.00	622.00	623.00
Nickel				
Spot	7465.00	7475.00	7575.00	7585.00
Forward	7580.00	7585.00	7685.00	7695.00
Tin				
Spot	5725.00	5735.00	5710.00	5720.00
Forward	5770.00	5780.00	5760.00	5770.00
Zinc (Special High Grade)				
Spot	1332½	1333½	1319½	1320½
Forward	1354.00	1355.00	1339.00	1340.00

Financial

	High	Low	Close	Chge	OpInt
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Jun 97	94.85	94.77	94.85	+0.09	5,253
Sep 97	94.58	94.55	94.56	+0.02	4,851
Dec 97			94.48		847
Est. sales N.A. Tue's. sales 2,996					
Tue's open int 10,104 off 519					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Jun 97	105-41	105-19	105-24	—07	208,149
Sep 97	105-27	105-07	105-18	—09	15,860
Dec 97	104-58	104-58	104-58	—08	177
Est. sales N.A. Tue's. sales 56,307					
Tue's open int 224,186 off 3439					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Jun 97	107-20	107-01	107-05	—06	292,960
Sep 97	107-05	106-19	106-21	—07	63,346
Dec 97	106-18	106-18	106-18	+ 01	1,856
Est. sales N.A. Tue's. sales 92,961					
Tue's open int 359,162 up 7231					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Jun 97	110-08	109-03	109-08	—19	445,094
Sep 97	109-27	108-23	108-28	—19	74,656
Dec 97	109-06	108-14	108-14	—20	36,080
Mar 98			108-24		2,088
Est. sales N.A. Tue's. sales 348,790					
Tue's open int 549,571 off 12058					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Jun 97	94.30	94.28	94.29	+0.01	13,592
Jul 97	94.22	94.21	94.21		7,314
Aug 97	94.15	94.14	94.15		3,030
Est. sales N.A. Tue's. sales 7,969					
Tue's open int 49,060 up 540					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Jun97	113-23	112-25	112-30	— 0-17	210,904
Sep97	113-30	113-06	113-06	— 0-17	18,256
Est. sales: 134,106. Prev. sales: 83,664					
Prev. open int.: 229,100 up 5,982					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Jun97	101.95	101.12	101.23	— 0.39	258,131
Sep97	100.86	100.15	100.19	— 0.40	31,513
Est. sales: 289,744. Prev. sales: 212,383					
Prev. open int.: 289,644 off 4,301					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Jun97	131.40	130.32	130.45	— 0.44	107,087
Sep97	131.90	130.80	130.99	— 0.49	11,948
Est. sales: 88,751. Prev. sales: 52,298					
Prev. open int.: 119,035 off 1,827					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Jun 97	130.14	129.46	129.58	— 0.06	163,808
Sep 97	128.50	128.06	128.00	— 0.06	14,653
Dec 97	97.82	97.82	97.42	— 0.06	0
Est. volume: 153,751. Open int.: 178,461 off 836.					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jun 97	94.18	94.16	94.17	+0.01	454,096
Jul 97	94.09	94.07	94.08	+0.01	11,232
Sep 97	93.98	93.95	93.96		468,773
Dec 97	93.77	93.70	93.73		352,135
Mar 98	93.67	93.59	93.61	—0.01	262,478
Jun 98	93.55	93.48	93.50	—0.01	224,003
Sep 98	93.46	93.38	93.40	—0.02	171,348
Dec 98	93.35	93.27	93.29	—0.02	122,387
Mar 99	93.34	93.26	93.28	—0.02	95,617
Jun 99	93.28	93.21	93.22	—0.03	80,416
Sep 99	93.24	93.17	93.18	—0.03	66,001
Dec 99	93.16	93.09	93.11	—0.02	60,395
Est. sales N.A. Tue's. sales 525,237					
Tue's open int 2,686,665 off 33002					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Jun 97	1.6590	1.6420	1.6426		42,897
Sep 97	1.6562	1.6396	1.6396		1,404
Dec 97	1.6490	1.6490	1.6490		115
Est. sales N.A. Tue's. sales 14,830					
Tue's open int 44,416 up 4608					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Jun 97	.7362	.7319	.7328		58,460
Sep 97	.7400	.7362	.7371		7,707
Dec 97	.7433	.7405	.7410		1,526
Est. sales N.A. Tue's. sales 13,381					
Tue's open int 68,670 off 3724					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Jun 97	.5993	.5903	.5909		78,001
Sep 97	.5996	.5944	.5947		3,919
Dec 97	.6019	.5985	.6005		489
Est. sales N.A. Tue's. sales 30,437					
Tue's open int 82,531 up 914					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Jun 97	.8920	.8767	.8788		88,231
Sep 97	.9042	.8896	.8905		5,291
Dec 97	.9055	.9030	.9040		798
Est. sales N.A. Tue's. sales 57,884					
Tue's open int 94,323 up 7470					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Jun 97	.7281	.7083	.7118		46,034
Sep 97	.7318	.7160	.7197		4,306
Dec 97	.7310	.7250	.7287		436
Est. sales N.A. Tue's. sales 27,387					
Tue's open int 50,836 up 3193					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Jun 97	.12600	.12560	.12592		17,006
Sep 97	.12140	.12105	.12140		10,135
Dec 97	.11695	.11675	.11685		6,766
Est. sales N.A. Tue's. sales 6,673					
Tue's open int 35,508 off 812					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Jun97	93.47	93.44	93.44	— 0.02	118,766
Sep97	93.24	93.18	93.18	— 0.04	105,556
Dec97	93.06	92.99	93.00	— 0.04	94,975
Mar98	92.94	92.86	92.87	— 0.04	61,517
Jun98	92.84	92.78	92.77	— 0.04	42,976
Sep98	92.77	92.72	92.71	— 0.05	36,860
Dec98	92.75	92.67	92.68	— 0.05	26,542
Mar99	92.73	92.67	92.67	— 0.04	18,154
Jun99	92.70	92.66	92.65	— 0.05	11,370
Sep99	92.69	92.62	92.63	— 0.05	8,933
Est. sales: 76,857. Prev. sales: 56,008					
Prev. open int.: 531,303 off 7,960					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Jun97	96.81	96.80	96.80	Unch.	235,585
Jul97	96.79	96.79	96.79	+ 0.01	1,424
Sep97	96.74	96.72	96.73	+ 0.01	206,874
Dec97	96.61	96.59	96.59	Unch.	232,867
Mar98	96.48	96.44	96.45	Unch.	209,761
Jun98	96.32	96.27	96.28	Unch.	152,376
Sep98	96.12	96.06	96.07	— 0.01	121,078
Dec98	95.88	95.82	95.82	— 0.02	85,136
Mar99	95.64	95.56	95.57	— 0.04	69,995
Jun99	95.41	95.35	95.34	— 0.03	39,221
Est. sales: 141,630. Prev. sales: 122,227					
Prev. open int.: 1,437,495 up 8,448					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jun 97	96.54	96.50	96.51	+0.02	44,422
Sep 97	96.55	96.51	96.52	+0.01	56,533
Dec 97	96.52	96.48	96.48	+0.00	33,791
Mar 98	96.44	96.40	96.41	+0.00	27,997
Jun 98	96.31	96.28	96.29	+0.01	24,371
Sep 98	96.16	96.12	96.13	+0.00	21,560
Dec 98	95.97	95.92	95.93	+0.00	15,313
Mar 99	95.74	95.70	95.70	+0.00	14,055
Est. volume: 47,774. Open int.: 257,818 up 748.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Jun97	93.43	93.37	93.38	+ 0.01	103,511
Sep97	93.76	93.69	93.70	— 0.01	90,347
Dec97	93.91	93.84	93.85	Unch.	53,198
Mar98	94.00	93.90	93.91	Unch.	33,545
Jun98	93.99	93.92	93.92	Unch.	25,838
Sep98	93.94	93.89	93.90	+ 0.01	8,402
Dec98	93.91	93.85	93.85	Unch.	2,431
Mar99	93.82	93.75	93.73	— 0.03	1,889
Est. sales: 47,260. Prev. sales: 30,750					
Prev. open int.: 319,111 off 1,434					

Industrials

	High	Low	Latest	Chge	OpInt
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Jul 97	72.55	72.10	72.12	—0.23	36,628
Oct 97	74.05	73.65	73.67	—0.23	3,697
Dec 97	74.80	74.50	74.52	—0.25	25,338
Mar 98	76.85	75.75	75.75	—0.25	3,622
May 98	74.70	74.50	74.50	—0.18	926
Est. sales N.A. Tue's. sales 6,310					
Tue's open int 72,419 off 143					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Jun 97	58.00	56.60	57.40	—0.34	22,209
Jul 97	58.00	56.75	57.50	—0.17	36,615
Aug 97	58.40	57.30	58.05	—0.02	17,940
Sep 97	58.80	58.12	58.30	—0.32	9,278
Oct 97	59.50	58.75	59.00	—0.22	8,292
Nov 97	60.05	59.75	59.80	—0.02	7,199
Dec 97	60.70	59.85	60.05	—0.27	12,600
Jan 98	61.00	60.45	60.45	—0.17	7,985
Feb 98	60.60	60.10	60.10	—0.07	3,589
Est. sales N.A. Tue's. sales 24,219					
Tue's open int 136,390 off 1245					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jul 97	21.92	21.46	21.82	+0.23	108,430
Aug 97	21.86	21.47	21.80	+0.21	46,590
Sep 97	21.75	21.40	21.70	+0.22	29,185
Oct 97	21.52	21.30	21.52	+0.16	17,798
Nov 97	21.31	21.22	21.22	—0.02	16,842
Dec 97	21.26	21.10	21.25	+0.13	37,690
Jan 98	21.15	21.05	21.06	+0.84	16,086
Feb 98	21.10	20.97	21.10	+0.16	7,456
Mar 98			20.86		4,444
Apr 98			20.79		4,128
Est. sales N.A. Tue's. sales 132,038					
Tue's open int 404,564 off 9168					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jun 97	2.220	2.160	2.200		24,691
Jul 97	2.260	2.200	2.235		35,895
Aug 97	2.260	2.200	2.245		19,833
Sep 97	2.235	2.195	2.225		16,619
Oct 97	2.230	2.200	2.230		18,469
Nov 97	2.330	2.295	2.320		7,970
Dec 97	2.455	2.415	2.445		12,591
Jan 98	2.500	2.455	2.480		11,666
Feb 98	2.395	2.355	2.385		8,143
Mar 98	2.245	2.235	2.240		6,789
Est. sales N.A. Tue's. sales 57,323					
Tue's open int 208,220 up 3015					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Jun 97	66.25	65.10	66.05	+0.66	30,603
Jul 97	64.75	63.75	64.50	+0.19	33,205
Aug 97	63.60	62.70	63.45	+0.19	10,351
Sep 97	62.40	61.70	62.00	—0.13	4,656
Oct 97	60.20	59.95	60.15	—0.03	3,165
Nov 97			59.28		1,929
Dec 97	59.10	58.85	58.85	—0.13	3,969
Est. sales N.A. Tue's. sales 25,109					
Tue's open int 91,746 off 1925					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jun 97	178.50	175.75	176.25	—1.50	25,229
Jul 97	179.75	177.00	177.50	—2.25	12,453
Aug 97	181.25	179.00	179.00	—2.25	7,625
Sept 97	182.50	181.00	180.75	—2.25	3,581
Oct 97	184.25	182.75	182.50	—2.25	4,245
Nov 97	184.75	184.50	183.75	—2.25	1,957
Dec 97	186.50	185.00	184.50	—2.25	7,794
Est. sales: 10,494. Open int.: 67,505 up 1,009					

Stock Indexes

	High	Low	Latest	Chge	OpInt
S&P COMP. INDEX (CMER) 500 x index					
Jun 97	849.50	836.80	841.60	—2.95	181,276
Sep 97	858.00	845.20	850.00	—3.10	11,489
Dec 97	859.60	855.00	855.00	—3.30	3,210
Est. sales N.A. Tue's. sales 73,565					
Tue's open int 196,949 off 1852					
FTSE 100 (LIFFE) £25 per index point					
Jun97	4675.0	4630.0	4657.0	+ 47.0	69,486
Sep97	4701.0	4671.0	4691.5	+ 47.5	4,843
Dec97	4730.0	4728.0	4734.0	+ 44.0	292
Est. sales: 17,297. Prev. sales: 13,272					
Prev. open int.: 74,791 up 1,387					
CAC 40 (MATIF) FF200 per index point					
May 97	2799.0	2764.0	2780.0	+37.00	23,074
Jun 97	2772.5	2738.5	2755.0	+36.50	28,030
Jul 97	2768.5	2737.5	2754.0	+36.50	831
Sep 97	2787.0	2758.0	2769.0	+37.00	11,795
Dec 97	N.T.	N.T.	2789.0	+37.00	451
Mar 98	N.T.	N.T.	2812.5	+37.00	7,934
Sep 98	N.T.	N.T.	2791.5	+37.00	1,245
Mar 99	2835.0	2835.0	2842.0	+40.00	0
Est. volume: 21,970. Open int.: 73,368 off 536.					

Commodity Indexes

	Close	Previous
Moody's	1,608.20	1,614.90
Reuters	2,013.80	2,007.80
D.J. Futures	163.14	162.03
CRB	252.37	251.00

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Chairman … As KLM S…

EBRD Posts Huge Loss

WORLD STOCK MA…

EUROPE

Chairman Resigns As KLM Slips Again

Compiled by Our Staff From Dispatches

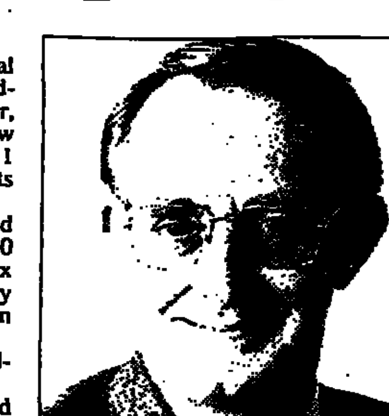
AMSTERDAM — KLM Royal Dutch Airlines NV reported a loss Wednesday for the second straight quarter, and its chairman resigned to let new management take on the job of cutting 1 billion guilders ($528 million) in costs over the next three years.

The chairman, Pieter Bouw, 55, said he would step down Aug. 5 after 30 years with the airline and more than six years at the helm. He will be replaced by the current managing director, Leo van Wijk, 50.

KLM's shares closed at 59.80 guilders, up 1.60.

"Bouw's successor is more involved on the operating level — he's rather aggressive," said Rene van Geffen, an analyst at F. van Lanschot Bankiers NV. "KLM needs this. In the last two years things haven't developed in the way they should for a global airline."

KLM has not been as successful as some of its competitors in cutting costs.



Pieter Bouw was at the helm six years.

Last month, British Airways PLC said pretax profit rose 9.4 percent in its latest financial year.

KLM's fourth-quarter net loss was 98 million guilders, reversing a net profit of 8 million guilders, or 5 cents a share, in the year-earlier period.

The airline predicted a "significant" improvement in operating earnings this year, helped by the reorganization plan it has named Focus 2000, by lower fuel prices and by economic growth.

Profit for the year ended in March was 236 million guilders, after 547 million guilders a year earlier.

Excluding a pretax charge of 290 million guilders, net earnings were 425 million guilders, or 3.01 guilders a share, against 547 million guilders, or 5.86 guilders a share.

"They came in better than expected," said Mr. van Geffen, whose estimate for net profit before special items was 404 million guilders. "But that's the past. More important is the future outlook, which is rather positive."

Thirty-five analysts polled by IBES International Inc. estimated KLM's earnings for the current year at an average of 4.54 guilders a share. Forecasts ranged from 5.60 guilders to 3.97 guilders.

"We were confronted by a much stronger increase in our expenses," Mr. Bouw said. "This unequivocally shows the need for cutbacks."

KLM said wages and labor costs rose 11 percent in the latest year, compared with 1995. In the fourth quarter they rose 10 percent from a year earlier. Fuel costs, meanwhile, rose 29 percent year-on-year and 27 percent in the fourth quarter from a year earlier.

(Bloomberg, AFX, Reuters)

EBRD Posts Huge Loss

Bloomberg News

LONDON — The European Bank for Reconstruction and Development said its first-quarter loss widened 10-fold to 7.9 million Ecu ($9.1 million) as expenses rose and it increased provisions for projects in Albania and Bulgaria.

"The first quarter at EBRD is always difficult," said Bart le Blanc, vice president in charge of finance at EBRD, which was set up in 1991 to help nations across the former Eastern bloc convert their economies to the free market.

He said a nearly 300 percent rise in expenses and a 70 percent increase in provisions for possible losses in its loan portfolio contributed to the loss.

At the bank's annual shareholders meeting, officials said the relative success of such countries as Poland, Hungary and the Czech Republic meant that the Bank would increase its activities in much riskier countries such as Bulgaria, Romania and some Central Asian Republics of the former Soviet Union.

Whither Bank of England?

Governor Denies Its Relevance Is Slipping

Compiled by Our Staff From Dispatches

LONDON — The head of the Bank of England, Britain's central bank, denied on Wednesday it was being stripped of power by the new Labour government and promised it would remain active well into the next century.

On Tuesday, Finance Minister Gordon Brown announced plans to transfer supervision of Britain's thriving financial services sector to a new beefed-up Securities and Investments Board.

Currently, the Bank of England is in charge of regulating banks but it has presided over a series of embarrassing scandals in recent years and faced accusations of sleeping on the job.

The bank's governor, Eddie George, said Wednesday that the shakeup that stripped him of power to supervise commercial banks came more quickly than he would have liked, but he denied that lax regulation in several big scandals was to blame.

"I think that's a frankly red herring and I don't believe that's the factor," Mr. George said, holding a news conference at the central bank.

Mr. George said he had had less than 24 hours' notice that Mr. Brown was going to set up a super-regulator to monitor banking, insurance and financial markets in London.

He said the important thing would be to ensure that the Securities and Investments Board does not become a paper-shuffling, bureaucratic monolith that stifles entrepreneurial spirit with rules designed to protect small, unsophisticated investors, he said.

Mr. Brown took office as chancellor of the Exchequer after the Labour Party won a landslide election victory on May 1. His first major action was to give the Bank of England the freedom to set interest rates without interference from politicians, but within two weeks he had also relieved the bank of its job supervising other banks.

Mr. Brown said the unwieldy system whereby the Bank of England watches over banks while a raft of lesser bodies supervise related industries was ripe for overhaul.

The new all-in-one regulator would be in charge of banks, securities firms and insurance companies, making it one of the most powerful bodies in Britain but leaving the central bank stripped of one of its core jobs.

Mr. George insisted the move made "entirely good sense" and was "sensible in its own terms" even if he himself would not have backed such a change just now.

"You can skin a cat in all sorts of different ways and they all have pros and cons," he said. But he admitted the move had prompted thoughts of resignation and pointedly said the government had told him about its plan, not consulted him.

"All sorts of thoughts go through your mind," he said wistfully. "I didn't seriously think about resigning."

Mr. George insisted he was not fazed by the changes, saying few other central banks had enjoyed his wide-ranging powers, and dismissed talk of a fiscal striptease being forced upon the bank.

He said the bank, which by tradition spars with government over the levers of economic power, looked forward to a "period of change and development" under the Labour government.

Indeed, Mr. George laughed off suggestions the bank's last remaining major powers would vanish if and when Britain joined a single European currency, when national central bank functions would transfer to a European Union bank.

But wasn't a slow striptease already under way, reporters asked.

"I don't think you need worry," Mr. George said. "We will still be here in 10 years. I think we will still be quite well clothed in 10 years time, too." *(Reuters, AP, Bloomberg)*

Fraud at Lyonnais: Beyond 'Huge'

Compiled by Our Staff From Dispatches

PARIS — The company set up to sell Credit Lyonnais's dubious assets said Wednesday it was planning to file new lawsuits against executives of Credit Lyonnais's banking units because of massive fraud.

In an internal report made available to news organizations, the board of the Consortium de Realisation, or CDR, said its investigators had uncovered "organized financial fraud" in those banks that went on until 1993.

The document said Credit Lyonnais had been the target of "looting" and of "organized delinquency" and commented that "such fraud, at such a level, has never occurred in France before."

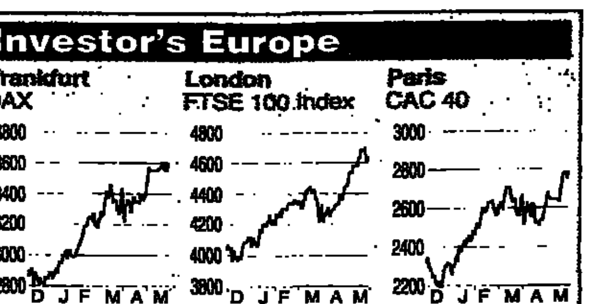
Jean-Michel Raingeard, a spokesman for CDR, said it planned to file a dozen lawsuits by mid-June, on top of the approximately 60 suits already filed.

The report said the fraud involved executives at seven of Credit Lyonnais's banking units, and that the sums involved were much higher than the figures reported so far. Earlier this year, Charles de Courson, a member of the National Assembly finance committee, estimated the fraud at 5 billion francs ($874 million). The chairman of Credit Lyonnais, Jean Peyrelevade, said that Mr. de Courson's estimate was vastly exaggerated.

The CDR declined to disclose the amount allegedly involved, but its report said, "Real figures are above those already cited, already huge." A CDR official who spoke on condition of anonymity said the fraud totaled nearly 10 billion francs.

The memorandum said the fraud was concentrated at IBSA, Credit Lyonnais Bank Nederland, Altus, SBT Batif, SDBO, SAGA, and Banque Colbert. *(Bloomberg, AFP)*

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	803.93	787.45	+2.09
Brussels	BEL-20	2,247.83	2,228.00	+0.89
Frankfurt	DAX	3,596.09	3,543.43	+1.49
Copenhagen	Stock Market	581.24	580.35	+0.15
Helsinki	HEX General	3,097.71	3,035.14	+2.06
Oslo	OBX	623.31	612.34	+1.79
London	FTSE 100	4,642.00	4,607.50	+0.76
Madrid	Stock Exchange	560.10	547.56	+2.29
Milan	MIBTEL	12527	12435	+0.74
Paris	CAC 40	2,786.35	2,751.11	+1.28
Stockholm	SX 16	3,028.93	2,983.50	+1.52
Vienna	ATX	1,290.11	1,270.36	+1.55
Zurich	SPI	3,268.35	3,214.28	+1.68

Source: Telekurs — International Herald Tribune

Very briefly:

- **VEBA AG**, a German utility and chemicals company, bought a 36.4 percent stake in Degussa AG, a metal and chemical company, for 2.9 billion Deutsche marks ($1.71 billion).
- **Cable & Wireless PLC** won its bid to buy 49 percent of Panama's state telephone company, INTEL SA, topping a bid by GTE Corp. with an offer of $652 million.

Metallgesellschaft AG's first-half pretax profit rose 50 percent, to 106 million DM, as its restructuring paid off and turnover at its plant engineering division boomed.

- **Volkswagen AG's** unit sales rose 11.2 percent in the first four months of 1997, to 1.43 million vehicles.
- **Commerzbank AG** plans to build a global equities business and hire at least 500 people to staff it. The bank's first-quarter operating profit rose 20.5 percent, to 1.05 billion DM, amid double-digit growth in commissions and interest income.
- **Italy's** deputy prime minister, Walter Veltroni, said the country had already reached the goal of a deficit of 3 percent of gross domestic product required for membership in the European single currency. *AFX, AP, Bloomberg, Reuters*

Total Is Weighing Iran Venture

Agence France-Presse

PARIS — Total SA said Wednesday it was considering a $2 billion joint venture to develop an Iranian gas field in the Gulf.

The chairman, Thierry Desmarest, said much progress had been made in talks with National Iranian Oil Co. on developing the Pars South gas field. He said that if Total went ahead, it would do so with other partners.

Iran said Sunday a $3.5 billion contract had been concluded with Total on the Pars South field, but Total denied it.

Total also said it expected first-half operating income to rise 35 percent, to 6.70 billion francs ($1.17 billion).

WORLD STOCK MARKETS

Wednesday, May 21

Prices in local currencies.

Telekurs

Amsterdam
AEX index: 803.93 Previous: 787.45

	High	Low	Close	Prev.
ABN-AMRO	36.40	35.50	35.80	35
Aegon	144.70	141.80	143.30	140.70
Ahold	148	145.20	147.60	143.80
Akzo Nobel	263.40	261.50	262.80	261.80
Baan Co.	113.30	109.90	112.30	108.80
Bols Wess cva	37	36.60	36.80	36.70
CSM cva	104.20	102.10	104	103.40
Dordtsche Pet	381	372	379	373
DSM	197	195	196.50	195
Elsevier	34	33.30	33.70	33.20
Fortis Amev	78.90	76.80	78.90	76.40
Getronics	63.10	61.70	62.60	61.10
G-Broc cva	66	65	65.80	65.20
Hagemeyer	90	87.50	89.50	86.50
Heineken	330.50	327	329.90	326.30
Hoogovens cva	93.20	89.40	93	89.10
Hunt Douglas	170	166.50	168.10	166.90
ING Group	85.30	81.30	84.80	80.10
KLM	60.70	59	59.80	58.20
KNP BT	41.10	40.20	40.90	40.60
KPN	68.90	68.40	68.80	68.20
Nedlloyd Gp	50.30	47.50	48.20	48.80
Nutricia	297	293	296	289
Oce Grinten	243.70	239.30	239.30	241.30
Philips Elec	111.70	110	111.10	109.40
Polygram	97.50	95.50	97.40	95.30
Randstad Hdg	191.90	186	191.90	185.50
Robeco	171.50	170	171.50	171.50
Rodamco	60.70	60	60.10	60.70
Rolinco	176	174.10	175.70	175.30
Rorento	111	110.20	110.70	110.60
Royal Dutch	369	362.70	366.80	359.60
Unilever cva	383.30	376.50	381.50	377.90
Vendex Intl	103.80	102	103.20	101
VNU	44.40	43.70	44.20	43.20
Wolters Kl cva	239.90	237.10	238.40	235.90

Bangkok
SET index: 596.19 Previous: 577.10

	High	Low	Close	Prev.
Adv Info Svc	182	171	175	172
Bangkok Bk F	222	210	214	202
Krung Thai Bk	31.75	30.50	31.75	29
PTT Explor	334	326	330	328
Siam Cement F	594	570	574	558
Siam Com Bk F	149	138	144	135
Telecomasia	34	32.25	32.75	32.25
Thai Airways	40	37.50	38	37.50
Thai Farm Bk F	132	124	126	122
Utd Comm	124	115	118	115

Bombay
Sensex 30 index: 3735.81 Previous: 3768.38

	High	Low	Close	Prev.
Bajaj Auto	846	831	845	845.25
Hindust Lever	1064	1056	1063	1065.50
Hindust Petlm	425	418	424.75	422.50
Ind Dev Bk	93.50	90.75	93	90.75
ITC	435	418.25	419.50	439.50
Mahanagar Tel	283	279.25	280.25	282.75
Reliance Ind	296.50	291	291.75	296
State Bk India	311.50	305.50	305.75	311.75
Steel Authority	20.75	19.50	20.25	19.75
Tata Eng Loco	400.50	393	393.50	399

Brussels
BEL-20 index: 2247.83 Previous: 2228.00

	High	Low	Close	Prev.
Almanij	15400	15150	15400	15100
Barco Ind	6400	6340	6370	6270
BBL	9040	8930	9020	8910
CBR	3500	3430	3480	3495
Colruyt	14550	14250	14500	14125
Delhaize Lion	1805	1785	1785	1780
Electrabel	8280	8260	8280	8230
Electrafina	3550	3530	3550	3555
Fortis AG	6550	6380	6540	6330
Gevaert	3000	2940	2970	2925
GBL	5600	5570	5590	5570
Gen Banque	14225	14050	14175	14050
Kredietbank	13800	13600	13675	13550
Petrofina	12925	12800	12825	12850
Powerfin	5090	5060	5080	5080
Royale Belge	9720	9450	9710	9600
Soc Gen Belg	3280	3220	3250	3230
Solvay	21500	21300	21400	21225
Tractebel	15425	15350	15400	15325
UCB	96900	95350	95950	95300

Copenhagen
Stock index: 581.24 Previous: 580.35

	High	Low	Close	Prev.
BG Bank	315.32	312	314	312
Carlsberg B	394	391	393	393.65
Codan Fors	915	900	904	915
Danisco	399	391	393	395
Den Danske Bk	633	625	625	624
D/S Svendborg B	350000	350000	350000	349000
D/S 1912 B	247500	242000	245000	242500
FLS Ind B	1066	1049	1050	1060
Kob Lufthavne	710	699	710	700
Novo Nordisk B	717	709	710	713
Sophus Ber B	902.25	890	895	895
Tele Danmk B	332	327	329	331
Tryg Baltica	361	354	359	361
Unidanmark A	356.11	354	355.64	354

Frankfurt
DAX: 3596.89 Previous: 3543.43

	High	Low	Close	Prev.
AMB B	1300	1240	1290	1268
Adidas	184	182.60	184	182
Allianz Hdg	358	350.50	358	353.50
Altana	1530	1485	1530	1415
Bk Berlin	39.49	39.28	39.49	39.10
BASF	64.75	64.20	64.32	63.70
Bayer Hypo Bk	57.90	56.90	57.90	56.98
Bay.Vereinsbank	73.10	72.90	73.05	73.40
Bayer	64.65	64.15	64.40	64.48
Beiersdorf	90.30	89.50	90.20	90
Bewag	41.50	41.20	41.20	41
BMW	1389	1380	1380	1385
CKAG Colonia	174	172	174	169.50
Commerzbank	49.90	49.25	49.85	48.50
Daimler Benz	134.20	133.60	134	132
Degussa	84.80	83.78	84.80	76
Deutsche Bank	98.98	96.30	98.75	97.18
Deut Telekom	39.75	39.35	39.65	39.40
Dresdner Bank	62.50	61.85	62.35	61.45
Fresenius	360	357	357	358
Fresenius Med	146.80	145.50	145.90	146.50
Fried. Krupp	323	320	322	320
Gehe	120	118.20	120	117.40
Heidelbg Zmt	169	163	168	159
Henkel pfd	97.70	96.70	97	94.15
HEW	487	487	487	487
Hochtief	77.80	76	77.80	77.20
Hoechst	65.75	65.10	65.25	65.60
Karstadt	576	570	574	575
Lahmeyer	76.30	76	76.30	76
Linde	1245	1235	1245	1240
Lufthansa	29.29	29.10	29.25	28.95
MAN	514	508	513.50	509
Mannesmann	712.50	708	712.50	701
Metallgesellschaft	36.98	36.80	36.98	36.38
Metro	169	167.80	169	168
Munch Rueck R	4408	4320	4375	4340
Preussag	469.50	466.50	467.50	459.25
RWE	75.20	73.90	75.10	73.20
SAP pfd	320	317	318.10	309.50
Schering	178	175.50	177.60	175
SGL Carbon	235	234	235	235
Siemens	99.40	98.45	99.25	97.20
Springer (Axel)	1500	1500	1500	1500
Suedzucker	920	910	910	920
Thyssen	395.50	390	391.80	386.50
Veba	100.70	99.70	99.70	98.80
VEW	505	505	505	505
Viag	790	768	786	764
Volkswagen	1149.50	1137	1144.50	1130.50

Helsinki
HEX General index: 3097.71 Previous: 3035.14

	High	Low	Close	Prev.
Enso A	48	46.80	47.50	46
Huhtamaki I	239.50	230	232	239.50
Kemira	50.40	49.70	49.80	49.50
Kesko	74	73.90	74	73.90
Merita A	18	17.70	17.90	17.50
Metra B	141.50	140	140	140
Metso-Serla B	43.50	42	43.20	42
Neste	139	136	138.50	135.50
Nokia A	349	338	348	335.10
Orion-Yhtymae	205	203	204.50	202
Outokumpu A	106	103.50	106	103.50
UPM-Kymmene	124.40	123	124.20	123.30
Valmet	89.90	89	89.90	88.50

Hong Kong
Hang Seng: 14235.52 Previous: 14236.29

	High	Low	Close	Prev.
Amoy Props	8.80	8.65	8.65	8.65
Bk East Asia	28.20	27.90	28.05	28
Cathay Pacific	11.90	11.80	11.80	11.85
Cheung Kong	81	78.50	78.50	79
CK Infrastruct	22.70	22.20	22.65	22.05
China Light	37.50	36.90	37	37.40
Citic Pacific	44.50	44	44.10	43.70
Dao Heng Bk	40.10	39.30	40.10	39.30
First Pacific	9.75	9.60	9.75	9.55
Hang Lung Dev	14.90	14.70	14.75	14.75
Hang Seng Bk	91.75	89.25	89.25	90.25
Henderson Inv	8.80	8.70	8.75	8.65
Henderson Ld	76.25	74.75	75.25	75.25
HK China Gas	12.70	12.45	12.55	12.60
HK Electric	27.75	27.60	27.65	27.70
HK Telecomm	16.20	15.80	16	15.85
Hopewell Hdgs	4.08	3.98	4	4.03
HSBC Hdgs	222	218	220	221
Hutchison Wh	64.50	63	63.25	63
Hysan Dev	25	24.20	24.70	24.20
Johnson El Hdg	23	22.40	22.90	23
Kerry Props	19	18.70	18.95	18.65
New World Dev	50.75	49.50	49.50	49.60
Oriental Press	2.78	2.63	2.63	2.70
Pearl Oriental	3.08	3	3.03	3.08
SHK Props	97	94.50	94.50	96.25
Shun Tak Hdgs	4.95	4.88	4.88	4.88
Sino Land Co.	8.45	8.30	8.40	8.35
Sth China Post	7.15	7.05	7.10	7.05
Swire Pac A	64.75	63.75	64	63.50
Wharf Hdgs	32.50	31.90	32	31.70
Wheelock	19.30	18.70	19.10	18.70

Jakarta
Composite index: 654.89 Previous: 652.83

	High	Low	Close	Prev.
Astra Intl	6050	6000	6000	6050
Bk Intl Indon	1775	1750	1775	1800
Bk Negara	1525	1475	1500	1525
Gudang Garm	10000	9825	9875	9825
Indocement	2950	2925	2925	2975
Indofood	5000	5000	5000	5000
Indosat	6900	6850	6850	6925
Sampoerna HM	9475	9300	9350	9300
Semen Gresik	5425	5400	5400	5350
Telekomunikasi	3650	3625	3650	3600

Johannesburg
All Market: 7127.19 Previous: 7106.23

	High	Low	Close	Prev.
Amalgamtd Bks	29.95	29.65	29.60	29.60
AngloAm Coal	304	302	304	304
AngloAm-Corp	269.50	267.50	268	268
AngloAm Gold	312	306	310	310
AngloAm Ind	191.25	191	191.75	191.75
AVMIN	16.35	16.30	16.30	16.30
Barlow	47.50	46.85	46.85	46.85
C.G. Smith	25.50	25.30	25.25	25.25
De Beers	160.50	160	160	160
Driefontein	40.50	39.50	40.25	40.25
Fst Natl Bk	34.20	33.50	34	34
Gencor	19.30	19.05	19.10	19.10
GFSA	114	113.50	113	113
Imperial Hdgs	58.50	57.50	58	58
Ingwe Coal	29.50	29.10	29.10	29.10
Iscor	3.11	3.01	3.11	3.11
Johnnies Indl	59	58.25	58.25	58.25
Liberty Hdgs	355	350	345	345
Liberty Life	132.50	130.50	129.75	129.75
LibLife Strat	17.25	16.75	16.90	16.90
Minorco	100.75	99.75	99.75	99.75
Nampak	17.50	17.30	17.25	17.25
Nedcor	90	89	88.75	88.75
Rembrandt Gp	48.90	48.65	48.55	48.55
Richemont	63.50	63	63.25	63.25
Rust Platinum	74	72	72.75	72.75
SA Breweries	131.25	129.75	130.75	130.75
Samancor	47.75	47.25	47	47
Sasol	55.50	54.50	54	54
SBIC	214.50	214	214	214
Tiger Oats	75.50	75.25	75.25	75.25

Market Closed

The Singapore stock market was closed Wednesday for a holiday.

London
FT-SE 100: 4642.00 Previous: 4607.50

	High	Low	Close	Prev.
Abbey Natl	9.38	9.23	9.32	9.32
Allied Domecq	4.66	4.47	4.53	4.50
Anglian Water	7.02	6.90	6.94	6.99
Argos	6.15	6.10	6.10	6.13
Asda Group	1.20	1.17	1.19	1.19
Assoc Br Foods	5.58	5.52	5.56	5.51
BAA	5.44	5.35	5.38	5.36
Barclays	12.24	12.03	12.15	12.08
Bass	8.27	7.98	8.06	8.24
BAT Ind	5.62	5.39	5.60	5.58
Bank Scotland	4.08	4.03	4.06	4.08
Blue Circle	4.18	4.09	4.13	4.11
BOC Group	9.95	9.85	9.93	9.86
Boots	7.05	7	7.05	7.03
BPB Ind	3.38	3.23	3.37	3.21
Brit Aerosp	12.35	12.07	12.28	12.10
Brit Airways	7.44	7.11	7.30	7.22
BG	2.27	1.97	2.01	2.04
Brit Land	5.90	5.67	5.89	5.69
Brit Petm	7.28	7.20	7.26	7.21
BSkyB	5.85	5.75	5.80	5.79
Brit Steel	1.52	1.49	1.51	1.50
Brit Telecom	4.60	4.44	4.51	4.47
BTR	2.21	2.15	2.20	2.19
Burmah Castrol	10.25	10.17	10.24	10.22
Burton Gp	1.35	1.31	1.35	1.34
Cable Wireless	5.12	4.97	5.01	5.05
Cadbury Schw	5.45	5.26	5.41	5.26
Carlton Comm	5.24	5.05	5.22	5
Coml Union	7.42	7.19	7.37	7.33
Compass Gp	6.65	6.57	6.61	6.59
Courtaulds	3.33	3.13	3.30	3.05
Dixons	4.90	4.82	4.86	4.78
Electrocomponents	3.99	3.97	3.97	3.98
EMI Group	12.50	12.38	12.41	12.24
Energy Group	5.52	5.37	5.49	5.36
Enterprise Oil	6.84	6.72	6.80	6.67
Fam Colonial	1.62	1.60	1.62	1.61
Genl Accident	9.47	9.18	9.37	9.27
GEC	3.60	3.54	3.57	3.52
GKN	9.73	9.66	9.72	9.65
Glaxo Wellcome	12.42	12.22	12.32	12.35
Granada Gp	9.20	9.13	9.17	9.17
Grand Met	5.64	5.56	5.61	5.54
GRE	3.04	2.95	3.01	2.96
Greenalls Gp	4.87	4.81	4.85	4.84
Guinness	5.64	5.56	5.62	5.58
GUS	6.62	6.51	6.59	6.48
Hays	5.66	5.63	5.65	5.64
HSBC Hldgs	17.36	17.10	17.30	17.25
ICI	7.83	7.70	7.78	7.74
Impl Tobacco	4.05	3.70	4.03	4.02
Kingfisher	7.14	7	7.07	7
Ladbroke	2.43	2.38	2.42	2.39
Land Sec	8.80	8.62	8.75	8.46
Lasmo	2.49	2.44	2.49	2.46
Legal Genl Grp	4.57	4.35	4.53	4.34
Lloyds TSB Gp	6.17	5.97	6.11	5.99
LucasVarity	2.02	1.98	2.01	2
Marks Spencer	5	4.94	4.98	4.97
MEPC	5.02	4.95	5	4.87
Mercury Asset	13.88	13.53	13.74	13.41
National Grid	2.30	2.26	2.29	2.27
Natl Power	5.49	5.28	5.46	5.61
NatWest	8.01	7.38	7.94	7.88
Next	7.14	7.07	7.14	7.07
Orange	2.16	2.14	2.15	2.15
P&O	6.40	6.30	6.39	6.36
Pearson	7.27	7.05	7.12	7.14
Pilkington	1.24	1.14	1.21	1.15
PowerGen	6.98	6.36	6.93	6.98
Premier Farnell	4.95	4.85	4.88	4.92
Prudential	6.48	6.39	6.47	6.48
Railtrack PP	4.47	4.32	4.38	4.29
Rank Group	4.42	4.35	4.40	4.38
Reckitt Colm	8.68	8.58	8.63	8.68
Redland	3.36	3.20	3.25	3.20
Reed Intl	6.29	6.21	6.27	6.23
Rentokil Initial	2.35	2.32	2.34	2.30
Reuters Hdgs	6.70	6.57	6.66	6.58
Rexam	2.89	2.72	2.84	2.74
RMC Group	9.28	9.15	9.20	9.19
Rolls Royce	2.46	2.41	2.44	2.42
Royal Bk Scot	6.16	6.07	6.17	6.15
RTZ reg	10.64	10.50	10.60	10.61
Royal & Sun All	4.93	4.49	4.90	4.79
Safeway	3.61	3.55	3.48	3.54
Sainsbury	3.65	3.60	3.62	3.63
Schroders	17.57	17.25	17.42	17.18
Scot Newcastle	7.14	7.04	7.10	7.03
Scot Power	3.87	3.81	3.85	3.85
Securicor	2.95	2.93	2.95	2.93
Severn Trent	7.79	7.47	7.71	7.78
Shell Transp R	11.87	11.62	11.80	11.57
Siebe	9.59	9.46	9.49	9.49
Smith Nephew	1.68	1.67	1.68	1.68
SmithKline	10.60	10.36	10.51	10.32
Smiths Ind	7.43	7.37	7.41	7.42
Sthern Elec	4.13	4.05	4.11	4.15
Stagecoach	6.65	6.45	6.59	6.46
Stand Charter	10.37	9.93	10.22	9.94
Tate & Lyle	4.58	4.52	4.55	4.60
Tesco	3.88	3.80	3.85	3.89
Thames Water	6.85	6.77	6.84	6.80
3i Group	5.05	4.94	5.01	4.94
TI Group	5.32	5.22	5.28	5.19
Tomkins	2.81	2.77	2.79	2.79
Unilever	16.73	16.60	16.72	16.66
Utd Assurance	4.86	4.80	4.84	4.83
Utd News	7.87	7.34	7.83	7.72
Utd Utilities	6.80	6.70	6.77	6.76
Vendome Lx uts	5.20	5.15	5.15	5.16
Vodafone	2.76	2.71	2.75	2.69
Whitbread	7.95	7.87	7.93	7.86
Williams Hdgs	3.15	3.10	3.13	3.15
Wolseley	4.73	4.67	4.72	4.63
WPP Group	2.48	2.44	2.47	2.45
Zeneca	19.88	18.79	18.95	19.10

Madrid
Bolsa index: 560.10 Previous: 547.56

	High	Low	Close	Prev.
Acerinox	25800	24980	25200	24760
ACESA	1880	1825	1860	1785
Aguas Barcelon	5790	5680	5790	5670
Argentaria	7320	7190	7270	7060
BBV	10430	10300	10340	10220
Banesto	1720	1690	1690	1675
Bankinter	25200	24210	25200	23800
Bco Centro Hisp	5140	5000	5100	4990
Bco Popular	34000	33550	33700	33200
Bco Santander	12290	12000	12200	11890
CEPSA	5170	5050	5100	5000
Continente	2705	2650	2695	2650
Corp Mapfre	7840	7750	7800	7700
Endesa	11630	11300	11340	11330
FECSA	1250	1230	1240	1215
Gas Natural	30390	29120	29260	29500
Iberdrola	1795	1735	1795	1705
Pryca	2750	2690	2740	2690
Repsol	6270	6170	6220	6090
Sevillana Elec	1395	1360	1390	1340
Tabacalera	7340	7200	7300	7150
Telefonica	4225	4100	4220	4045
Union Fenosa	1310	1280	1310	1270
Valenc Cement	2035	1990	2010	2000

Manila
PSE index: 2538.97 Previous: 2499.38

	High	Low	Close	Prev.
Ayala B	17	16.50	16.75	16.50
Ayala Land	18.25	18	18	18
Bk Philip Isl	140	138	139	140
C&P Homes	9.50	9	9.10	9.50
Manila Elec A	86.50	84.50	86.50	84
Metro Bank	555	545	550	545
Petron	7.10	6.90	7	6.90
PCIBank	250	240	240	250
Phil Long Dist	745	730	735	730
San Miguel B	67.50	64.50	67	64
SM Prime Hdg	6.80	6.30	6.70	6.20

Mexico
Bolsa index: 3978.39 Previous: 3930.98

	High	Low	Close	Prev.
Alfa A	47.20	46.90	47.10	47.00
Banacci B	18.02	17.70	18.02	17.78
Cemex CPO	29.85	28.70	29.55	29.75
Cifra C	12.48	12.22	12.38	12.10
Emp Moderna	39.85	39.40	39.80	39.20
Gpo Carso A1	48.30	47.90	48.20	48.00
Gpo F Bcomer	1.84	1.80	1.81	1.79
Gpo Fin Inbursa	30.10	29.00	29.80	28.20
Kimb Clark Mex	29.58	29.25	29.40	29.05
Televisa CPO	105.70	102.20	104.50	101.10
TelMex L	17.46	17.38	17.38	17.16

Milan
MIB Telematico: 12527.00 Previous: 12435.00

	High	Low	Close	Prev.
Alleanza Assic	11880	11680	11770	11655
Bca Comm Ital	3625	3590	3595	3585
Bca Fideuram	4720	4610	4675	4700
Bca di Roma	1255	1223	1223	1249
Benetton	23900	23200	23200	23500
Credito Italiano	2600	2565	2570	2565
Edison	8425	8305	8375	8155
ENI	9030	8925	9030	8930
Fiat	5670	5580	5610	5555
Generali Assic	30350	29800	29800	30100
IMI	15850	15535	15850	15750
INA	2395	2335	2395	2335
Italgas	5560	5450	5480	5495
Mediaset	7750	7580	7650	7500
Mediobanca	10515	10350	10350	10270
Montedison	1111	1093	1100	1083
Olivetti	519.50	502	518	492
Parmalat	2720	2635	2635	2685
Pirelli	3815	3760	3770	3730
RAS	13980	13725	13725	13880
Rolo Banca	18385	18100	18100	17900
S Paolo Torino	10755	10650	10650	10660
Stet	8750	8630	8670	8645
Telecom Italia	4755	4690	4690	4690
TIM	5340	5230	5295	5185

Montreal
Industrials index: 3147.27 Previous: 3169.68

	High	Low	Close	Prev.
Bce Mob Com	44.40	43.55	44.40	44½
Cdn Tire A	27.15	26.40	26½	26.65
Cdn Util A	35½	35	35	35.20
CT Finl Svc	34¼	34.10	34.10	34¼
Gaz Metro	18	17¾	17.85	18
Gt-West Lifeco	28	27¾	27¾	28.15
Imasco	39.85	39.60	39.80	39½
Investors Grp	27.60	27.40	27.55	27.45
Loblaw Cos	19.20	19	19	19¼
Natl Bk Canada	16½	16.35	16.45	16.30
Power Corp	32¼	31¼	31¾	31.30
Power Finl	29.95	29.05	29.30	28.70
Quebecor B	25.45	25¼	25.45	25.40
Rogers Comm B	7½	7½	7½	7½
Royal Bk Cda	60.10	59.55	59.60	59.40

Oslo
OBX index: 623.31 Previous: 612.34

	High	Low	Close	Prev.
Aker A	132	128.50	131.50	128
Bergesen Dy A	158.50	157	158	156
Christiania Bk	24	23.60	23.80	23.40
Den norske Bk	28	27.40	27.90	27.60
Elkem	138	132	137.50	131
Hafslund A	46	45.50	45.50	45.50
Kvaerner Asa	400	387	393	384
Norsk Hydro	360	351	360	350
Norske Skog A	246	241	244	242
Nycomed A	100	98	98	98
Orkla Asa A	610	595	604	595
Petlm GeoSvc	295	292	295	289
Saga Petlm A	137	136	137	134.50
Schibsted	133	132	133	130
Transocean Off	468	455	468	450
Storebrand Asa	46.60	45.50	46	45.70

Paris
CAC-40: 2786.35 Previous: 2751.11

	High	Low	Close	Prev.
Accor	912	891	902	889
AGF	196	192.20	194.50	192.10
Air Liquide	929	907	925	918
Alcatel Alsth	706	693	701	685
Axa-UAP	381.50	373.50	381.50	372.50
Bancaire	754	722	732	749
BIC	925	885	910	880
BNP	266.90	259	263.80	257.60
Canal Plus	1079	1068	1073	1066
Carrefour	3908	3829	3888	3802
Casino	278.40	272.50	277	276
CCF	274.70	265.50	268.70	270
Cetelem	657	645	648	650
Christian Dior	919	904	919	900
CLF-Dexia Fran	557	533	533	536
Credit Agricole	1300	1300	1300	1268
Danone	928	908	925	900
Elf-Aquitaine	606	590	598	592
Eridania BS	924	887	898	919
Eurodisney	9.25	9.10	9.20	9.20
Eurotunnel	6.50	6.40	6.45	6.40
Gen. Eaux	822	810	814	809
Havas	440.60	433	439	433.90
Imetal	820	805	818	806
Lafarge	402.90	393.10	394.70	397.20
Legrand	980	962	971	968
L'Oreal	2220	2150	2197	2170
LVMH	1483	1450	1469	1447
Lyon. Eaux	588	580	584	580
Michelin B	355	342	349	340.40
Paribas A	406.10	398.20	399.40	397.20
Pernod Ricard	313.50	306	309.30	306.80
Peugeot Cit	650	640	647	646
Pinault-Print	2547	2523	2547	2512
Promodes	2145	2078	2134	2070
Renault	156.10	150.50	154.50	153.90
Rexel	1629	1590	1595	1635
Rh-Poulenc A	199.70	195.60	197.60	198
Sanofi	568	552	565	555
Schneider	323.90	319.10	321.80	319.40
SEB	1020	996	1005	993
SGS Thomson	465.90	450.10	463	448
Ste Generale	698	675	688	668
Sodexho	2829	2795	2810	2810
St Gobain	850	829	840	836
Suez	310.90	307	309.60	308
Synthelabo	715	699	713	693
Thomson CSF	195.90	190.50	193	193.50
Total B	567	555	562	553
Usinor	94.20	92	93.70	92.15
Valeo	378	360.50	366.80	364.50

São Paulo
Bovespa index: 10733.00 Previous: 10648.00

	High	Low	Close	Prev.
Bradesco Pfd	8.70	8.55	8.60	8.70
Brahma Pfd	778.00	777.00	777.00	777.00
Cemig Pfd	47.50	46.80	47.00	45.70
CESP Pfd	55.30	54.70	54.750	52.50
Copel	15.70	15.70	15.70	16.00
Eletrobras	488.00	484.00	484.90	480.00
Itaubanco Pfd	563.00	562.00	563.00	562.50
Light Servicos	525.21	490.00	518.00	515.01
Lightpar	350.00	341.50	349.00	341.50
Petrobras Pfd	260.00	247.00	247.50	253.00
Paulista Luz	163.00	159.99	159.99	162.49
Sid Nacional	36.00	35.50	35.60	35.00
Souza Cruz	9.39	9.25	9.39	9.25
Telebras Pfd	137.99	136.00	136.40	134.70
Telemig	152.00	147.99	148.00	148.50
Telerj	163.00	151.10	157.50	153.00
Telesp Pfd	355.00	347.00	349.00	345.00
Unibanco	36.80	36.50	36.80	36.20
Usiminas Pfd	1.21	1.19	1.20	1.20
CVRD Pfd	25.10	24.60	24.60	24.50

Seoul
Composite index: 737.71 Previous: 734.67

	High	Low	Close	Prev.
Dacom	96600	91500	95900	89500
Daewoo Heavy	8270	7660	8270	7660
Hyundai Eng.	19700	18800	19700	19200
Kia Motors	16600	16300	16600	16300
Korea El Pwr	27000	26300	27000	26700
Korea Exch Bk	5700	5380	5400	5780
Korea Mob Tel	380000	370000	380000	370000
LG Semicon	34400	33900	34000	34200
Pohang Iron St	58500	57100	58000	58000
Samsung Display	45200	44000	45100	44500
Samsung Elec	65000	63200	63500	65000
Shinhan Bank	10500	10200	10300	10500

Stockholm
SX 16 index: 3028.93 Previous: 2983.50

	High	Low	Close	Prev.
AGA B	103.50	102.50	103	103
ABB A	106	104	105.50	103.50
AssiDoman	224	213	220	214
Astra A	346.50	332.50	344	326.50
Atlas Copco A	214.50	210	213	209
Autoliv	302.50	296	300.50	294
Electrolux B	466	455	466	457
Ericsson B	277	270	273.50	266.50
Hennes B	270	260	260	258
Incentive A	675	655	663	652
Investor B	389	380	383.50	379.50
MoDo B	252	245	250	246
Nordbanken	252	246	246	249
Pharm/Upjohn	266	260.50	263	260
Sandvik B	205	203	205	202
Scania B	225.50	220.50	220.50	225
SCA B	172	170	171	171.50
S-E Banken A	86	83	84	84
Skandia Fors	247.50	244	247	244.50
Skanska B	333	329	333	328
SKF B	182	178.50	180	179
Sparbanken A	152	148.50	149	149
Stadshypotek A	190	190	190	190
Stora A	119.50	116.50	119	117
Sv Handles A	224	220	220	222
Volvo B	210	206.50	207.50	208.50

Sydney
All Ordinaries: 2543.20 Previous: 2530.70

	High	Low	Close	Prev.
Amcor	8.44	8.36	8.36	8.42
ANZ Bkng	8.19	7.94	8.19	7.86
BHP	19.41	19.02	19.15	19.26
Boral	3.84	3.80	3.83	3.79
Brambles Ind.	23.84	23.60	23.75	23.84
CBA	13.92	13.80	13.83	13.75
CC Amatil	14.86	14.75	14.83	14.78
Coles Myer	6.11	5.99	6	6.07
Comalco	7.40	7.30	7.30	7.22
CRA	21.17	21.03	21.12	21.12
CSR	4.53	4.47	4.48	4.48
Fosters Brew	2.68	2.63	2.67	2.66
Goodman Fld	1.72	1.70	1.71	1.71
ICI Australia	12.05	11.95	11.97	11.90
Lend Lease	24.54	24.42	24.49	24.50
MIM Hdgs	1.87	1.84	1.85	1.86
Nat Aust Bank	18.18	17.87	18.18	17.80
Nat Mutual Hdg	1.90	1.87	1.88	1.87
News Corp	5.86	5.79	5.83	5.76
Pacific Dunlop	3.53	3.49	3.52	3.52
Pioneer Intl	4.30	4.23	4.27	4.23
Pub Broadcast	6.55	6.52	6.55	6.52
St George Bank	7.97	7.86	7.93	7.84
WMC	8.32	8.15	8.17	8.27
Westpac Bkng	7.22	7.10	7.17	7.08
Woodside Pet	10.93	10.75	10.85	10.94
Woolworths	4.03	3.93	3.96	4

Taipei
Stock Market index: 8022.89 Previous: 7996.75

	High	Low	Close	Prev.
Cathay Life Ins	154	152	152	153
Chang Hwa Bk	121	118	119	120
Chiao Tung Bk	73	71.50	72	74.50
China Developmt	117	115	115.50	116
China Steel	30.80	30.10	30.10	30.40
First Bank	119.50	116.50	117	118
Formosa Plastic	65	64.50	64.50	65
Hua Nan Bk	117.50	115	116	116
Intl Comm Bk	71	69.50	70.50	69.50
Nan Ya Plastics	69.50	68.50	69	68.50
Shin Kong Life	93.50	92	93	92.50
Taiwan Semi	105	101	105	101
Tatung	55.50	55	55.50	55.50
Utd Micro Elec	68	65.50	67.50	66
Utd World Chin	69	68.50	68.50	68.50

Tokyo
Nikkei 225: 19842.98 Previous: 20332.83

	High	Low	Close	Prev.
Ajinomoto	1220	1180	1180	1210
All Nippon Air	790	770	770	784
Amway	4480	4400	4400	4400
Asahi Bank	795	782	791	790
Asahi Chem	709	691	697	695
Asahi Glass	1210	1170	1180	1200
Bk Tokyo Mitsu	2110	2070	2080	2100
Bk Yokohama	559	551	555	560
Bridgestone	2690	2570	2580	2750
Canon	2760	2660	2700	2850
Chubu Elec	2130	2100	2100	2100
Chugoku Elec	2050	2020	2020	2040
Dai Nipp Print	2500	2450	2450	2500
Daiei	806	775	790	772
Dai-Ichi Kang	1370	1310	1320	1390
Daiwa Bank	455	431	435	440
Daiwa House	1400	1380	1390	1400
Daiwa Sec	844	822	830	844
DDI	8750a	8630a	8670a	8690a
Denso	2930	2850	2860	2930
East Japan Ry	5580a	5510a	5520a	5550a
Eisai	2310	2250	2250	2310
Fanuc	4100	4030	4040	4120
Fuji Bank	1500	1440	1450	1480
Fuji Photo	4420	4300	4310	4480
Fujitsu	1370	1340	1350	1370
Hachijuni Bk	1130	1110	1110	1120
Hitachi	1270	1240	1250	1260
Honda Motor	3580	3460	3480	3630
IBJ	1430	1390	1400	1420
IHI	504	490	490	500
Itochu	653	626	630	644
Ito-Yokado	6890	6700	6700	6900
JAL	543	535	535	536
Japan Tobacco	8880a	8760a	8800a	8880a
Jusco	4310	4150	4150	4320
Kajima	689	666	666	684
Kansai Elec	2240	2210	2210	2230
Kao	1590	1530	1540	1590
Kawasaki Hvy	543	530	530	545
Kawa Steel	370	354	356	368
Kinki Nipp Ry	710	701	701	715
Kirin Brewery	1220	1160	1180	1220
Kobe Steel	228	225	226	227
Komatsu	908	881	889	906
Kubota	580	572	576	579
Kyocera	7770	7610	7640	7780
Kyushu Elec	2030	2000	2000	2000
LTCB	379	367	367	367
Marubeni	516	498	504	515
Marui	2230	2180	2190	2240
Matsu Comm	3290	3160	3230	3220
Matsu Elec Ind	2220	2130	2150	2210
Matsu Elec Wk	1310	1270	1270	1300
Mitsubishi	1400	1330	1340	1420
Mitsubishi Ch	401	383	387	399
Mitsubishi El	699	691	687	695
Mitsubishi Est	1650	1600	1610	1660
Mitsubishi Hvy	857	847	847	847
Mitsubishi Mat	904	890	894	904
Mitsubishi Tr	1610	1520	1530	1610
Mitsui	1010	980	985	1000
Mitsui Fudosn	1490	1430	1450	1490
Mitsui Trust	839	808	819	840
Murata Mfg	4660	4360	4360	4700
NEC	1590	1550	1550	1590
Nikon	1840	1790	1800	1850
Nikko Sec	710	683	691	718
Nintendo	8740	8670	8690	8740
Nipp Express	985	945	957	974
Nippon Oil	643	629	629	634
Nippon Steel	360	347	349	358
Nissan Motor	746	721	728	748
NKK	257	247	247	256
Nomura Sec	1430	1380	1390	1410
NTT	1090b	1060b	1060b	1090b
NTT Data	4370b	4190b	4190b	4250b
Oji Paper	760	730	732	758
Osaka Gas	306	300	302	302
Ricoh	1470	1410	1430	1450
Rohm	10400	10100	10100	10300
Sakura Bk	695	675	675	695
Sankyo	3650	3500	3570	3600
Sanwa Bank	1440	1380	1390	1430
Sanyo Elec	499	490	491	500
Secom	8200	7930	8090	8250
Seibu Rwy	6280	6050	6050	6280
Sekisui Chem	1240	1210	1210	1210
Sekisui House	1250	1210	1220	1240
Seven-Eleven	9050	8640	8670	8940
Sharp	1610	1540	1560	1610
Shikoku El Pwr	2000	1980	1980	1980
Shimizu	711	685	691	708
Shin-etsu Ch	2610	2520	2560	2630
Shiseido	1700	1630	1650	1720
Shizuoka Bk	1160	1150	1150	1150
Softbank	8190	7950	7950	8310
Sony	9710	9500	9550	9730
Sumitomo	1020	990	993	1000
Sumitomo Bk	1580	1550	1570	1600
Sumit Chem	489	480	480	486
Sumitomo Elec	1840	1790	1800	1830
Sumit Metal	304	296	297	304
Sumit Trust	1070	1030	1030	1070
Taisho Pharm	3120	2940	2940	3130
Takeda Chem	2980	2910	2940	2970
TDK	8840	8570	8590	8900
Tohoku El Pwr	2010	1990	2000	1990
Tokai Bank	970	956	958	980
Tokio Marine	1480	1430	1430	1450
Tokyo El Pwr	2280	2240	2250	2230
Tokyo Electron	4910	4680	4680	4890
Tokyo Gas	321	309	319	308
Tokyu Corp.	713	700	700	712
Tonen	1430	1380	1380	1430
Toppan Print	1680	1630	1640	1660
Toray Ind	812	798	805	790
Toshiba	727	707	708	721
Tostem	3160	3100	3120	3010
Toyo Trust	866	826	826	860
Toyota Motor	3570	3460	3480	3580
Yamanouchi	2860	2790	2800	2860

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6274.58 Previous: 6268.14

	High	Low	Close	Prev.
Abitibi Price	24¼	23.70	23.70	23½
Alberta Energy	32.30	32.05	32.05	32.30
Alcan Alum	49¼	48.55	48.65	48.95
Anderson Expl	19.10	18.90	19	18.80
Bk Montreal	54	53.45	53.55	53.40
Bk Nova Scotia	57¼	56.45	56¼	56.95
Barrick Gold	33¾	33.35	33.70	33.60
BCE	35¼	34.80	34.95	35
BC Telecomm	31.60	30¼	31.10	30¼
Biochem Pharm	31.70	31.45	31.45	31.70
Bombardier B	28¾	28.35	28.70	28.15
Brascan A	35.35	35.20	35¼	35.15
Cameco	49¼	49	49	48¾
CIBC	34.10	33½	33.60	33¾
Cdn Natl Rail	55.60	55.35	55.55	55¼
Cdn Nat Res	36¼	36¼	36½	36.20
Cdn Occid Pet	29¼	29	29¼	28.90
Cdn Pacific	36¼	35½	36	35.60
Cominco	40½	40	40	39¾
Dofasco	25.10	25	25.05	25.05
Domtar	11.30	11.15	11¼	11.10
Donohue A	30¼	29.85	29.85	30.15
Du Pont Cda A	35½	35.15	35½	35¼
Edper Group	23.70	23½	23½	23¾
EuroNev Mng	41¼	40½	40.80	41.20
Fairfax Finl	330	325	326	325
Falconbridge	31	30.90	31	30.80
Fletcher Chall A	23¾	23.30	23.40	23½
Franco Nevada	71½	69.95	70	69.35
Gulf Cda Res	11.85	11¼	11¼	11¼
Imperial Oil	65.20	64¼	64¼	64.90
Inco	45.80	44.80	44.85	45.45
IPL Energy	43.10	42.90	43	42.90
Laidlaw B	19.30	19.05	19.10	19
Loewen Group	42¼	42	42¼	42
Macmill Bldl	20½	20.05	20.20	20.05
Magna Intl A	75¼	74¼	74.60	75
Methanex	12.15	12.05	12.15	12
Moore	29.80	29.20	29.45	29.45
Newbridge Net	50.55	48¾	50	48
Noranda Inc	32.15	31.90	32	31.85
Norcen Energy	32¾	32.65	32.70	32¾
Nthern Telecom	111.20	109	110¼	108.60
Nova	11.90	11.80	11.80	11.80
Onex	25½	25	25¼	25¼
PanCdn Petlm	30.55	30¼	30¼	30.60
Petro Cda	23¾	23½	23.60	23.45
Placer Dome	25.40	25.20	25.30	25.55
Poco Petlm	15¼	15.05	15.05	15
Potash Sask	116.20	115.55	116.20	116
Renaissance	42.40	41.80	42	41.45
Rio Algom	36.90	36.70	36.80	36.70
Rogers Cantel B	25.60	25	25.60	25
Seagram Co	53½	52.35	52.60	53.40
Shell Cda A	58	57½	57.70	57.45
Stone Consold	24¼	23.80	23.80	23¾
Suncor	35¾	35	35.10	35.20
Talisman Eny	46.70	45.80	45.80	45.80
Teck B	30.65	30.30	30.30	30.65
Teleglobe	44	43.80	43.85	44
Telus	23.80	23.45	23.70	23.55
Thomson	30.30	30.05	30.15	30.30
TorDom Bank	41.35	40.85	41.05	40.80
Transalta	16.10	15.85	15.95	15.85
TransCda Pipe	25¾	25.65	25.70	25.65
Trimark Finl	52.20	50.55	52	50.40
Trizec Hahn	30¼	29.90	29.95	30.10
TVX Gold	8½	8.40	8.45	8½
Westcoast Eny	24	23.85	24	24
Weston	76¼	76¼	76¼	76¼

Vienna
ATX index: 1290.11 Previous: 1270.36

	High	Low	Close	Prev.
Boehler-Uddeh	940	918	927	907.50
Creditanst Pfd	519	514.75	516	515
EA-Generali	3051	3035	3045	3031
EVN	1685	1619	1669.10	1626
Flughafen Wien	519	505	510	510
OMV	1606	1528.10	1574.80	1535
Oest Elektriz	864.75	860.25	861	861
VA Stahl	550.55	531	548	531
VA Tech	2066.90	2003	2055	2000
Wienerberg Bau	2455	2400	2425	2391

Wellington
NZSE-40 index: 2296.28 Previous: 2295.39

	High	Low	Close	Prev.
Air NZ Zeald B	4.33	4.32	4.32	4.31
Brierly Invt	1.35	1.34	1.34	1.34
Carter Holt ord	3.29	3.25	3.28	3.27
Fletch Ch Bldg	3.99	3.98	3.98	3.99
Fletch Ch Eny	4.64	4.58	4.58	4.65
Fletch Ch Forst	1.92	1.91	1.92	1.91
Fletch Ch Paper	3.18	3.15	3.16	3.16
Lion Nathan	3.62	3.56	3.62	3.56
Telecom NZ	6.72	6.70	6.72	6.70
Wilson Horton	11.60	11.60	11.60	11.65

Zurich
SPI index: 3268.35 Previous: 3214.28

	High	Low	Close	Prev.
ABB B	2023	1967	2004	1965
Adecco B	510	500	507	498
Alusuisse R	1327	1285	1327	1280
Ares-Serono B	1974	1945	1965	1965
Atel R	851	851	851	850
Baer Hdg B	2004	1985	2000	1971
Baloise Hdg R	3285	3225	3250	3200
BK Vision	1039	1025	1038	1020
Ciba Spec Chem	137.75	135.25	136.50	133.50
Clariant R	834	825	834	820
Crd Suisse Gp R	180.50	177.75	179.75	173.50
Elektrowatt B	535	532	534	533
Ems-Chemie	6360	6210	6355	6200
ESEC Hdg	4625	4450	4625	4620
Holderbank B	1228	1210	1220	1212
Liechtenst LB B	488	488	488	485
Nestlé R	1844	1820	1825	1818
Novartis R	2028	1989	2018	1973
Oerlikon Buehr R	160	155.50	156	155.50
Pargesa Hld B	1805	1797	1799	1797
PharmVisn B	839	825	839	825
Richemont A	2000	1995	1995	1976
Pirelli PC	237.50	230.50	236	231
Roche Hdg PC	13500	13270	13420	13205
SBC R	347.50	343	345	340.50
Schindler PC	1830	1813	1818	1788
SGS B	3275	3195	3240	3210
SMH B	855	840	853	843
Sulzer R	1107	1092	1092	1101
Swiss Reins R	1922	1865	1906	1834
Swissair R	1400	1328	1379	1344
UBS B	1530	1490	1523	1476
Winterthur R	1134	1119	1130	1106
Zurich Assur R	493	485	485.50	484.50

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	166.53	+0.35	+0.21	+11.66
Regional Indexes				
Asia/Pacific	123.90	-2.44	-1.93	+0.38
Europe	176.10	+1.25	+0.71	+8.24
N. America	191.44	+1.35	+0.71	+18.24
S. America	152.57	+1.83	+1.21	+33.33
Industrial Indexes				
Capital goods	205.48	+2.88	+1.42	+20.22
Consumer goods	188.73	-0.67	-0.35	+16.91
Energy	195.77	+1.98	+1.02	+14.68
Finance	123.17	-0.32	-0.26	+5.76
Miscellaneous	168.29	+1.74	+1.04	+4.02
Raw Materials	185.19	+0.08	+0.04	+5.59
Service	155.58	+0.11	+0.07	+13.30
Utilities	142.45	+0.72	+0.51	-0.70

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

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NYSE

Wednesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

Continued on Page 16

Chairman Kim Sets Daewoo on A World Course

Bloomberg News

SEOUL — For a man with only one pair of dress shoes, Kim Woo Choong has extravagant business plans.

The 60-year-old chairman of Daewoo Group of South Korea combines personal frugality with a big appetite for overseas investment.

The $68 billion group he started 30 years ago turns out microwave ovens in France, televisions in Mexico, cars in Poland and tires in Vietnam.

Mr. Kim is not known for flaunting his success.

"The easiest way to tell the chairman has only two summer suits is by looking at his pants, an old, shiny pair that has been ironed once too often," said Kim Yong Sub, Daewoo's vice president.

The pants are well-traveled. Mr. Kim spends an average 290 days a year on the road, part of his drive to make Daewoo Motor Co. a world leader.

Last year, Mr. Kim outbid his former partner, General Motors Corp., to buy the Polish state automaker, Fabryka Samochodow Osobowych, or FSO, by promising Warsaw that Daewoo would invest $1.1 billion and retain all 21,000 employees for at least three years.

Mr. Kim has similar plans for Ukraine's state car company, Autozaz. On Wednesday, a company spokesman said Daewoo may pass up a joint takeover bid with GM and go it alone. GM owned half of Daewoo Motor until 1992.

The Ukraine bid ties in with Daewoo's plan to become one of the world's top 10 automakers by 2000 with an annual production capacity of 2.5 million vehicles, equivalent to that of Chrysler Corp.

Mr. Kim also is willing to laugh at his ambitions. In Britain, Daewoo markets its Nexia subcompact as a product of "The Biggest Car Company You've Never Heard Of." Daewoo is the youngest and smallest of the top four conglomerates, or *chaebol*, which between them account for half of South Korea's exports.

In 1967, Mr. Kim borrowed 5 million won ($5,600 in today's currency) to set up a textiles trading company with three people. Today, Daewoo has sales of $68.1 billion, 220,000 employees, 31 domestic companies and 275 overseas subsidiaries.

Now Mr. Kim has set his sights on the world auto market. Daewoo has more than 100 foreign projects valued at $2.7 billion. Another $2 billion in investments are in the pipeline.

Money, he says, is no object. He said he always enters with little money and borrows primarily from local financial companies at favorable rates.

Daewoo has acquired a string of car factories in Eastern Europe. It is also building assembly lines in India, Vietnam and Uzbekistan.

It's a risky strategy. "Kim succeeded in penetrating potential markets before anyone else did, but that doesn't mean he's going to make money," said Yang Dong Ki, an auto analyst at Dongbang Peregrine Securities Co.

Daewoo executives concede that it is a gamble. "We have no backup plan for a failure scenario," said the Daewoo Motor chairman, Kim Tae Goo. "It's a case of all or nothing."

If the gambit fails, it could bring down the group. Some analysts believe a slipup might send Daewoo the way of Hanbo Group and Sammi Group, two chaebol that collapsed this year under a combined $8.2 billion of debt.

Though Mr. Kim owns less than 2 percent of Daewoo — mostly because he insists on remaining a manager rather than an owner — his authority is paramount.

"Chairman Kim who makes the decisions around here," said the company's vice president, Kim Yong Sub.

"Every time we tried to stop him from making investments where there seemed no hope, he went on to prove us wrong. I have complete faith in him."

Pat Roque/The Associated Press

MANILA TALKS — Li Lanqing, deputy prime minister of China, heading into Pacific Basin Economic Council talks Wednesday on regional issues.

U.S. Firm Beats Investment Ban On Burma Deals

By Christopher Johnston
Special to the Herald Tribune

A U.S. telecommunications equipment company has sealed a $250 million contract with the national telephone company of Burma — just before the signing of a U.S. ban on further foreign investment in the country.

InterDigital Communications Corp. said that it had concluded a contract with Myanmar Posts & Telecommunications to provide equipment for a wireless local telephone system. Myanmar is the military government's name for Burma.

Under the terms of the contract, details of which were released last week, InterDigital will manufacture the equipment in the United States and then ship it to Burma for assembly.

The contract also calls for technology transfer and the establishment of a joint venture in Burma between InterDigital and MPT for the local manufacturing of the systems as well as another InterDigital wireless technology.

The company, based in King of Prussia, Pennsylvania, said the order was its largest to date and was subject to the two parties "finalizing financing arrangements, the joint venture agreement, certain pricing, payment and other terms."

The investment ban was announced by Secretary of State Madeleine Albright on April 22 and signed by President Bill Clinton on Tuesday. The United States said it announced the sanctions because of Burma's increased repression of its democracy movement. Mr. Clinton also accused Burma of being the world's leading producer of opium and heroin.

A White House spokesman declined to comment on the InterDigital contract, but he said that because the ban was not in effect until it was signed, in principle any deals concluded before the signing could proceed.

An InterDigital representative credited "a real close friend" in the U.S. government, close ties to the national phone company and an existing stake in Burma with landing the contract. She would not elaborate on the identity or the position of the U.S. official.

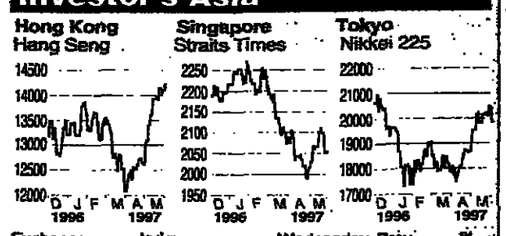
She also said the manufacturing facility would produce phone systems for local consumption, not for export. "It's not an investment in Myanmar," the representative said. "It's really more of a sale to Myanmar."

"This is the height of chutzpah," said Maureen Aung-Thwin, director of the Burma Project, a human-rights organization in New York. "This new means of communication will not help the ordinary Burmese citizen but those who are beyond the law — the military elite and its supporters."

Human-rights organizations have accused the Burmese military government of using forced labor in its joint ventures with foreign companies, and pressure from activists has caused a number of U.S. companies, including Levi Strauss and PepsiCo Inc., to pull their investment out of the country.

The InterDigital representative said the company had thought about the possibility of protests but said InterDigital was "just thrilled to have this type of order and to be selling equipment into Mynamar."

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,235.52	14,236.20	-.-
Singapore	Straits Times	Closed	2,053.99	+0.49
Sydney	All Ordinaries	2,543.20	2,530.70	-2.41
Tokyo	Nikkei 225	19,841.98	20,332.83	-.-
Kuala Lumpur	Composite	Closed	1,058.62	+3.31
Bangkok	SET	596.19	577.10	+0.41
Seoul	Composite Index	737.71	734.67	+0.39
Taipei	Stock Market Index	8,022.89	7,996.75	+1.58
Manila	PSE	2,538.97	2,498.38	+0.19
Jakarta	Composite Index	654.09	652.83	+0.04
Wellington	NZSE-40	2,296.20	2,295.39	-0.88
Bombay	Sensitive Index	3,735.01	3,768.30	-.-

Source: Telekurs International Herald Tribune

Very briefly:

• **Thailand's** cabinet conditionally agreed to allow the Thai subsidiary of **Hopewell Holdings Ltd.** of Hong Kong to alter its contract to build a long-delayed road-rail transit system in Bangkok, a top government official said. The work must be finished by December 1998.

• **PT Lippo Bank's** first-quarter net profit rose 44 percent as an expanded loan portfolio helped increase interest income. Net profit was 39.6 billion rupiah ($16.4 million), up from 27.46 billion rupiah a year earlier. Income from operations rose 51 percent, to 60.8 billion rupiah.

• **Daihatsu Motor Co.** said the most appropriate dollar exchange rate for its business would be about 115 yen. "About 115 is good for us," the company's vice president, Hajime Fujii, said. "We want currencies to stabilize."

• **Deere & Co.** signed an agreement for a $29.9 million combine harvester joint venture in northeastern China, the official Xinhua news agency said.

• **Korean Air Ltd.** is talking to "four or five" airlines about a global cargo alliance, KAL said. It declined to identify the potential partners. *AFP, Bloomberg, Reuters*

Toyota's Profit Rises but Misses Expectations

Compiled by Our Staff From Dispatches

TOKYO — Record sales at home and abroad sent Toyota Motor Corp.'s earnings 50 percent higher in the year ended March 31, Japan's top automaker said Wednesday.

The stronger dollar helped lift the earnings of exporters such as Toyota, which receive more yen for their dollars earned abroad as a result.

But analysts said results fell short of expectations. "Everybody knew they were going to have great earnings," said Steve Volkmann, an auto analyst at Morgan Stanley Japan in Tokyo. "Expectations got ahead of reality. If there ever was a year for a blowout report, it was this year."

Toyota earned 385.9 billion yen ($3.43 billion), up from 256.9 billion yen for the year ended March 31, 1996.

Gross revenue rose 14 percent to a record 12.2 trillion yen. Toyota's worldwide vehicle sales rose 9.9 percent, to 4.5 million.

Iwao Isomura, deputy chairman of Toyota Motor Corp., told reporters that he did not expect sales to continue to rise this year.

Toyota attributed 240 billion yen of its earnings to the benefits of the weak yen. Cost-cutting added a further 110 billion yen, it said.

Vehicle sales in Japan jumped 7.7 percent during the year, to 2.2 million, while overseas sales rose 12 percent, to 2.3 million. U.S. sales figures were available only for the 1996 calendar year, when they totaled 1.1 million, the best ever.

In the United States, Toyota spent 14.5 billion yen on a plant in Indiana that will start producing T-100 pickup trucks by the end of 1998.

Expansion of a Kentucky plant for a new minivan took 73.3 billion yen, and 43.4 billion yen went into expanding Toyota's plant in Cambridge, Ontario. *(AP, Bloomberg)*

Japan Stocks Take a Tumble

Compiled by Our Staff From Dispatches

TOKYO — Japanese stock prices skidded Wednesday, registering their biggest one-day drop in two months, on concern that the dollar's three-week slide against the yen may hurt earnings of exporters.

The benchmark Nikkei 225 stock average fell 490.85 points, or 2.41 percent, to 19,841.98, its biggest one-day drop since March 24.

Sony Corp., with exports comprising 67 percent of sales, paced the decline, falling 180 yen to 9,550 ($84.85).

Selling by foreign investors was seen all day, especially in international blue chips. *(Bloomberg, AFX, AFP)*

Export Data Hold Key to Thai Hopes

By Sandra Sugawara
Washington Post Service

TOKYO — Thailand has been the biggest disappointment in Asia for foreign investors in recent times, and they have abandoned the stock market in droves. Now many are awaiting news from the Bank of Thailand this month to see whether the time is coming to get back in.

"I genuinely believe that the only thing that is going to get the serious money back into the stock market in Thailand is going to be a pickup in exports, because we're still an export-driven economy," a Bangkok-based trader for ING Barings said.

When that will happen is the big question.

One encouraging sign: Exports in March, as calculated by the Thai customs department, rose at least 7.4 percent from March 1996, the largest jump in 13 months, according to ING Barings.

Other reports have put the March growth even higher, although Pridi Boonyoung, director of the customs department of the Finance Ministry, said calculations were not complete.

"It's a mystery," one trader said of the signs of recovery in exports. "We weren't expecting this. But I'm relatively excited by this. If it really is a trend, then it's happening faster than expected."

Skeptics note that a 5.1 percent increase in exports in January was followed by a 5.5 percent drop in February. Sriyan Pietersz, a Bangkok-based strategist with Capital Nomura Securities PLC, said it was more likely that things would get worse before they got better.

"The possibility of a further slowdown in the economy is very high," Mr. Pietersz said. He said he expected Thailand's bad-loan crisis to worsen and interest rates to remain high. He also said the Thai central bank must keep rates up to maintain the currency's relationship to the U.S. dollar.

Only a couple of years ago, Thailand was seen as a shining example of an export-driven, high-growth Asian "tiger" economy.

But now, as it struggles through its worst financial crisis in a decade, it is more often described as a model of what can go wrong when an Asian country is beset by blind growth and corrupt politics and is too dependent on exports.

During the late 1980s and early 1990s, foreign investment flooded into Thailand, and Thai banks raced to pour money into skyscrapers, luxury condominiums, steel factories and golf courses.

But the country soon learned that rapid growth did not always mean higher profits. Exports began falling last spring. Prices for computer electronics fell, and textile and footwear exports increasingly lost out to products from such countries as Vietnam and Indonesia, where labor costs were lower.

The Thai stock market has fallen more than 47 percent from its 52-week high. In March, the Stock Exchange of Thailand stunned investors by halting all trading in bank and financial shares for one day. It acted to prever : a panic after news that Thailand's biggest financial company, Finance One PLC, had had to be rescued by a Thai bank and that the government had ordered other financial institutions to raise capital to protect themselves from rivers of bad debt.

Bangkok Seeks Rate Cut

Agence France-Presse

BANGKOK — The finance minister said Wednesday that he wanted interest rates cut to bolster Thailand's flagging economy, and sources in the banking industry said a cut in the discount rate was in the works.

But the director of the office of the governor of the Bank of Thailand, Duangmanee Vongpradhip, said, "There will be no change in the discount rate for the moment."

Finance Minister Amnuay Viravan said later in a news briefing: "I cannot tell when and how the Bank of Thailand will reduce the discount rate, but I want it to reduce it very quickly."

A source in the banking industry said Wednesday that the discount rate would drop to 9.5 percent from 10.5 percent. Stock-exchange sources said they had heard the rate could be cut to 5.5 percent.

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FRANCE	FF	520	210	60%
GERMANY*	DEM	182	72	60%
GREAT BRITAIN	£	47	22	53%
GREECE	DR	18,200	9,100	50%
IRELAND	IRE	52	26	50%
ITALY	ITL	145,600	58,000	60%
LUXEMBOURG	LFR	3,3800	1,350	60%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
PORTUGAL	ESC	11,960	5,000	58%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
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FOXHOLE: *An Obsessed Money Manager Stalks the Wily Fed*

Continued from Page 11

over a flaw in Intel's Pentium chip, Mr. Cramer "doubled down," meaning he doubled the amount of money he had invested when the price started dropping sharply after the flaw was discovered. Intel continued to drop, so he tripled down. Then he quadrupled down — and prayed that he was right.

"At one point I had 60 percent of my assets in Intel," he says. "I just didn't believe this flaw could matter that much. I mean, I trade currencies using a Pentium-powered computer, and this flaw was undetectable. At one point I thought, 'Oh, my God, I have to sell everything because all I have is Intel.'"

His conviction served him well. The stock has more than quintupled since then, to $161. That same conviction, though, blinded him to problems at Rexon, a maker of backup computer tapes that got trounced when 3M came out with new tape technology. The company filed for bankruptcy protection in September 1995 with Mr. Cramer as its largest shareholder. He lost $8 million.

Lest he forget, on one of the many yellow stick-on notes dotting his trading screens are the words: "Discipline is more important than conviction."

Mr. Cramer started trading — with fictitious money — in the second grade, keeping a meticulous journal of every trade. By law school he had become so entranced with watching the running tape of stock trades on television that he would miss classes.

"I think I can figure it out," he told himself as he sat, transfixed. In 1984, he landed a sales job at Goldman, Sachs & Co. He worked there until January 1987, when he struck out on his own.

He got office space and a $500,000 investment from Michael Steinhardt, who at the time ran one of the most influential hedge funds on Wall Street. Mr. Cramer met the woman who would become his wife and trading partner at Steinhardt's, a trader with uncanny intuition about market moves. She called him one week before the market plunged in 1987, for example, and urged him to sell everything. He did.

Continued on Page 16

CITADEL FUND N.V.

NOTICE OF ANNUAL SHAREHOLDERS MEETING

Notice is hereby given that the Annual Meeting of the Shareholders of the CITADEL FUND N.V. (the "Company") will be held at De Ruyterkade 62, Curacao, at 10:00 A.M. local time on June 30, 1997.

The agenda of the meeting is deposited for the shareholders for inspection at the office of the Company at De Ruyterkade 62, Curacao.

Date:May 14, 1997

By order of
The Board of Managing Directors
Emmanuel Sella

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(Continued)

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WORLD ROUNDUP

Captain Bodgit Retired

HORSE RACING Captain Bodgit, who finished second in the Kentucky Derby and third in the Preakness, was retired from racing Wednesday with an injury in his left front leg.

Barry Irwin, president of the Team Valor syndicate, which owns the horse, called the injury a strained tendon.

He said trainer Gary Capuano "noticed some swelling" two days after the Preakness last Saturday. *(AP)*

Lewis Attacks 'Cover Up'

OLYMPICS Carl Lewis accused athletics authorities of trying to hush up the abuse of performance-enhancing drugs in U.S. sport after it emerged Wednesday that two more American athletes had been caught doping.

A few days after a doping scandal involving leading American athletes Sandra Farmer-Patrick and Mary Slaney, athletics sources said two other American athletes had tested positive for banned drugs.

"There is no question in my mind that they have more knowledge about the drug problem than they are telling the public," Lewis said. *(AP)*

• The International Olympic Committee added women's skeet and trap shooting and restored women's duet synchronized swimming to the schedule for the 2000 Olympics in Sydney.

"The main reason was to give another opportunity to promote women's sports," said Francois Carrard of the International Olympic Committee. *(AP)*

Dominator Elected MVP

ICE HOCKEY Buffalo Sabres' goalie Dominick Hasek was selected the National Hockey League's Player of the Year by the weekly magazine *The Sporting News* on Wednesday.

Bryan Berard, a defenseman with the New York Islanders won Rookie of the Year and Ken Hitchcock of the Dallas Stars won Coach of the Year.

John Muckler was selected Executive of the Year. He was fired last week by the Buffalo Sabres.

• The Anaheim Mighty Ducks did not renew the contract of coach Ron Wilson. Wilson is the only coach Anaheim has had since it entered the NHL in 1993. This season he guided the team to its first winning record and their first Stanley Cup playoff appearance.

The team, which is owned by Walt Disney, cited "philosophical differences." *(AP)*

Saeed Breaks Record

CRICKET Pakistan opener Saeed Anwar smashed the record for the highest individual score in one-day internationals Wednesday. He hit 194 as Pakistan beat India by 35 runs in Madras in the Independence Cup.

Anwar powered Pakistan to an imposing 327 runs for five wickets from its 50 overs. India made 292 in reply, led by Rahul Dravid who made 107. Pakistan will play Sri Lanka in the final of the four team tournament. *(Reuters)*

Reuters

Eric Cantona, the recently retired soccer star, riding his Harley Davidson in the south of France with his son, Raphael.

Rebecca Naden/The Associated Press

PINPOINT ACCURACY — Jose Maria Olazabal practicing Wednesday at Wentworth, England, with the help of an acupuncture clip in his ear. The clip is intended to speed his recovery from a herniated disc in his back.

Tonkov Tightens Hold on Giro d'Italia

Reuters

TERMINILLO, Italy — Pavel Tonkov overcame the challenge of a fellow Russian, Yevgeni Berzin, on Wednesday and tightened his grip on the Giro d'Italia.

In the final thrust for the finish on the 1,675-meter (1,047-feet) Terminillo mountain, Tonkov, of the Mapei team and the 1996 Giro victor, outsprinted Luc Leblanc of France to gain the maximum time deduction of 12 seconds with several rivals strung out in his wake.

Leblanc's second placing ahead of Marco Pantani of Italy was worth eight seconds, and the Frenchman moved up to second overall, 41 seconds behind Tonkov.

Berzin began the day in second place, one second behind Tonkov, but cracked in the final 11 kilometers and trailed in 5 minutes 22 seconds behind his countryman.

Berzin, who won the Giro in 1994, said he failed to eat enough to cope with the demands of the 215-kilometer fifth stage from Arezzo.

"All of a sudden I felt without strength," he said. "It's a bad defeat, but I'm not giving up."

He was not the only contender to suffer, as Tonkov ruled a leading group, reduced to seven by the constant skirmishing, for the final four kilometers of the first major climb in this Giro.

"I just wanted to control the race," said Tonkov, who is competing with a bandaged left wrist because of a spill last month. "If I had not had the leader's pink jersey I would have attacked more often on the Terminillo climb. My one fear is the Dolomite mountain climbs in the last few days of the race, especially as my team will have to work a lot."

Marco Pantani of Italy finished third and climbed to fifth overall.

Pantani, who rides for Mercatone Uno, had been out of action for 16 months after injuring his leg in a crash. He is now 1:31 behind Tonkov and has many opportunities to show his old climbing power before the Milan finale on June 8.

As the field splintered, the Italian Enrico Zaina, last year's runner-up, and the Russian Piotr Ugromov, fourth and third in the last two Giros, lost more than two and a half minutes on Tonkov.

Mario Cipollini, who had won three stages in the previous four days, finished almost 16 minutes in arrears at Terminillo, but his Saeco teammate, Ivan Gotti, a noted climber, moved into a challenging third overall, one minute seven seconds behind.

But his team failed in its appeal of the elimination of Gian Matteo Fagnini from Tuesday's stage for dangerous riding.

Ailing Sampras Faces Strain of French Clay

But No. 1 Brushes Off Problems

By Ian Thomsen
International Herald Tribune

Pete Sampras's withdrawal from a tournament in Duesseldorf means that the world No. 1 will enter the least predictable French Open next week without so much as a warm-up victory on clay this season.

More worrisome for Sampras is the left-thigh strain that he suffered Monday in the third set of his opening match at the World Team Cup against Australia's Mark Philippoussis. The slow clay at Roland Garros has always pushed Sampras to his limits. Last year, after a succession of draining five-set matches, he was cast out of the semifinal by the eventual champion, Yevgeni Kafelnikov of Russia. Doubts over Sampras's health will obviously increase the odds against his completing his collection of the four major titles, a Grand Slam last accomplished in men's tennis by Rod Laver in the 1960s. The 25-year-old Sampras has won four U.S. Opens, three Wimbledon championships and two Australian Opens.

Sampras was replaced Wednesday by his American teammate Alex O'Brien, a doubles specialist.

"It's a pretty significant injury," Sampras said Monday. "But the good news, if there is any, is that it's not a pull. It's a strain. There's time before the French and hopefully I can get it cleared up and be ready to go."

Sampras had to reorganize his schedule after suffering a wrist injury this spring. In his three tournaments since coming to Europe last month, he lost twice in the first round — to Magnus Larsson of Sweden and to fellow American Jim Courier — and then forfeited to Philippoussis. However, Sampras has grown used to dealing with unusual circumstances on clay, his least favorite surface.

"I don't think we should read too much into my defeats," Sampras said. "Last year I hardly had any clay court tennis behind me when I came to Paris but I still reached the semifinals."

Sampras isn't the only contender in doubt. Kafelnikov, seeded No. 3 at Roland Garros, has lost his last two matches in straight sets, most recently in the first round this week at St. Poelten, Austria, in less than an hour against Dominik Hrbaty of Slovakia.

No. 5 Thomas Muster, the champion at Roland-Garros two years ago, and No. 6 Richard Krajicek, who knocked out Sampras on his way to winning Wimbledon last summer, have also been struggling.

Andre Agassi, who would have been unseeded, his American compatriot Todd Martin and Boris Becker have all withdrawn from Roland Garros.

The women's tournament looks even more open to a surprise champion. No. 1 Martina Hingis has been hurrying to rehabilitate her knee after tumbling from a friend's horse April 21. The 17-year-old Swiss is unbeaten this year, but her opening round match at Roland Garros will be her first on clay this season. Hingis started training seriously only this week and has yet to receive clearance from her doctor to play in the two-week tournament.

No. 2 Steffi Graf's ability to win her sixth French Open and 22d Grand Slam title is also in question following her recent return from a knee injury. Her recent comeback included a remarkable 6-0, 6-1 loss to Amanda Coetzer of South Africa. If the top three are vulnerable — Hingis, Graf and No. 3 Monica Seles, who has yet to recover her old form — then there's no telling who will win this year.

• Jennifer Capriati pulled out of the French Open with an ankle injury on Wednesday, Reuters reported from Paris.

■ Seles Advances in Madrid

Seles routed Spain's Maria Antonia Sanchez, 6-0, 6-1, Wednesday to reach the third round at the Yellow Pages Open in Madrid.

In other pre-French Open tournaments, rain intefered.

In Duesseldorf, Sasa Hirszon and Goran Ivanisevic of Croatia beat Daniel Vacek and Martin Damm of the Czech Republic, 5-7, 6-4, 6-3, in a match stopped on Tuesday because of rain. Rain delayed play again Wednesday, but Ivanisevic beat Michael Chang, 6-2, 2-6, 6-3, to give Croatia a 1-0 lead over the United States which fought back to win 2-1.

At the Strasbourg Open women's tournament, only two matches were played. Sabine Appelmans of Belgium beat Tamarine Tanasugarn of Thailand, 6-4, 6-7 (2-7), 6-1, and Amanda Coetzer beat Anne-Gaëlle Sidot of France. *(AP, Reuters, AFP)*

Lindros Lifts Philadelphia, 6-3

Flyers' Star Follows Gretzky's Hat Trick With One of His Own

By Joe Lapointe
New York Times Service

NEW YORK — Wayne Gretzky, the Great One, had scored a hat-trick in Game 2 of the Eastern Conference finals. Eric Lindros, the Next One, replied with one of his own in Game 3.

Lindros's hat trick paced the Philadelphia Flyers to a 6-3 victory over the New York Rangers on Tuesday night at Madison Square Garden, giving Philadelphia a 2-1 lead in the four-of-seven-game series.

Gretzky also did his part Tuesday night. He scored a goal to tie the game at 3-3 at 14 minutes 21 seconds of the third period. He also assisted on one of two goals by Russ Courtnall.

But just 38 seconds after Gretzky tied the score, Trent Klatt put Philadelphia ahead to stay. "It was a bit of a yo-yo-style game," Lindros said, referring to the two leads the Flyers squandered. "I don't think anyone felt too much in control."

Having already lost three checking forwards to injury in the playoffs, the Rangers played without one of their regular defensemen, Aleksandr Karpovtsev, who left the team to travel to Russia after learning of the death of his mother.

Brian Leetch, who sustained what the Rangers called a right-wrist injury in Game 2, played a full complement of minutes and skated well.

But Colin Campbell, the Rangers' coach, admitted that Leetch — with only two shots on goal — was not at full strength. "That's not Brian Leetch tonight," Campbell said, adding that Karpovtsev's absence had forced him to use Leetch more than planned.

Campbell said he was not happy with the goaltending of Mike Richter, who failed to stop Rod Brind'Amour on a breakaway for the Flyers' fifth goal, which put the game out of reach. "I think Mike will bounce back strong," Campbell said. "It's too early to jump off the Mike Richter bandwagon."

Both coaches noted the loose, scrambling style of play. "We got sloppy," Campbell said. "We opened up too soon."

The Flyers outshot the Rangers by 12-5 in the first period and held a 2-0 lead at the first intermission. Lindros scored the first goal of the game, which was also his first of the series and seventh of the playoffs, at 7:43. Lindros beat Richter with a wraparound shot that barely crossed the goal line before Richter swept it away.

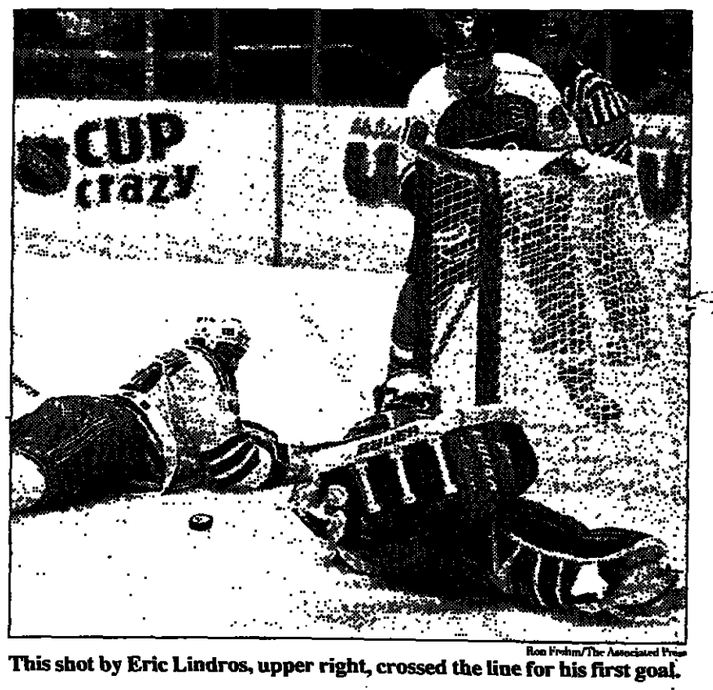
Play continued for 28 seconds until a whistle for a penalty against Jeff Beukeboom — for roughing Philadelphia's John LeClair with a leaping body check into the boards — stopped play. The officials then reviewed the videotape of Lindros's shot and awarded him the goal. The penalty to Beukeboom was nullified.

The Flyers made it 2-0 at 12:03 when Peter Svoboda scored on a long shot that got past Richter after the goalie had lost his stick.

Richter protested to Bill McCreary, the referee, that the stick was pushed away from him by Dainius Zubrus, a Flyers' rookie. Zubrus and Lindros had the assists.

The second period had no scoring and play was much tighter. The Rangers gained a big advantage with 2:53 remaining in the period when Michel Petit of Philadelphia took a double minor for high-sticking Dallas Eakins, giving the Rangers a four-minute power play. The Flyers survived until the end of the period, but there still were 66 seconds remaining in the power play as the third period began.

The Rangers took advantage, as Courtnall scored at the 43-second mark of the third period. Courtnall was set up by Gretzky in front of Ron Hextall, the Philadelphia goalie.



Ron Frehm/The Associated Press

This shot by Eric Lindros, upper right, crossed the line for his first goal.

Immediately after the Rangers' goal, the Flyers appeared to increase their lead to 3-1 on a power-play goal by Brind'Amour. But the tally was nullified after a video review showed that LeClair was in the crease.

The ruling enforced the letter of the law, but violated its spirit. LeClair was in the crease only because he was pushed there by Samuelsson. Under current interpretation of the crease-interference rule, the video judge is not allowed to tell the referee how the player entered the crease.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	29	13	.690	—
New York	25	19	.568	5
Toronto	22	19	.537	6½
Detroit	19	24	.442	10½
Boston	16	25	.390	12½

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	27	20	.574	—
Kansas City	20	21	.488	1
Milwaukee	19	21	.475	1½
Chicago	19	22	.463	2
Minnesota	16	24	.409	4½

WEST DIVISION

	W	L	Pct.	GB
Texas	24	17	.585	—
Seattle	24	20	.545	1½
Anaheim	22	20	.524	2½
Oakland	17	28	.378	9

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	31	13	.705	—
Florida	27	16	.628	3½
Montreal	24	18	.571	6
New York	23	21	.523	8
Philadelphia	17	26	.395	13½

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	23	22	.511	—
Pittsburgh	21	22	.488	1
St. Louis	18	25	.419	4
Chicago	15	28	.349	7
Cincinnati	14	29	.326	8

WEST DIVISION

	W	L	Pct.	GB
San Francisco	25	17	.595	—
Los Angeles	23	19	.548	2
Colorado	23	20	.535	2½
San Diego	17	25	.405	8

TUESDAY'S LINE SCORES

AMERICAN LEAGUE

Kansas City	010	100	100	—3	10	0
Cleveland	000	000	22x	—4	12	1

Rusch, Montgomery (7), J. Walker (8), R. Veres (8) and M. Sweeney; Nagy, Shuey (7), M. Jackson (9) and Alomar. W—Shuey, 1-1. L—J. Walker, 2-2. Sv—M. Jackson (5). HRs—Cleveland, Ramirez (7). Kansas City, C. Davis (5), Doman (2).

Toronto	000	001	010	—2	8	0
New York	000	000	000	—0	5	2

Hentgen and Santiago; Pettitte, M. Rivera (9) and Posada. W—Hentgen, 5-1. L—Pettitte, 6-2.

Detroit	000	000	030	—3	4	0
Baltimore	000	040	00x	—4	7	1

Olivares, Seger (6) and Casanova; Kamieniecki, Orosco (8), R.Myers (9) and Hollins. Webster (9). W—Kamieniecki, 3-2. L—Olivares, 2-3. Sv—R. Myers (14). HR—Detroit, Easley (5).

Boston	000	010	000	—1	7	0
Chicago	103	000	11x	—6	10	0

Wakefield, Borland (4), Garces (4), Grunet (6), Slocumb (8) and Haselman; Navarro, McElroy (9) and Pena.

Oakland	116	109	000	—3	7	2
Texas	120	140	00x	—8	14	0

Prieto, Wengert (5) and Ga.Williams; Witt, Whiteside (8), Gunderson (9) and I. Rodriguez. W—Witt, 7-0. L—Prieto, 3-3.

Minnesota	200	001	010	—4	8	0
Milwaukee	000	020	01x	—3	7	2

F.Rodriguez, Trombley (5), Swindell (6), Nouby (8), Guardado (8), Aguilera (8) and Steinbach; Eldred, Miranda (7), Florie (8), D.Jones (9) and Lewis. W—Trombley, 1-0. L—Eldred, 4-5. Sv—Aguilera (8). HR—Minnesota, Stahoviak (2).

Seattle	200	040	300	—9	9	1
Anaheim	000	700	12x	—11	13	1

Fassero, Ayala (4), McCarthy (7), Manzanillo (8) and Wilson; Dickson, DeLucia (7), Percival (9) and Kreuter. W—DeLucia, 4-1. L—Manzanillo, 0-1. Sv—Percival (1). HRs—Seattle, Buhner (7), Griffey Jr (20). Anaheim, Hollins (4), Salmon (6).

NATIONAL LEAGUE

New York	000	002	013	—5	11	0
Florida	002	110	002	—6	12	2

R.Reed, Manuel (7), Franco (9) and Hundley; Brown, Cook (8), Powell (8), Nen (9) and C. Johnson. W—Nen, 4-1. L—Franco, 0-1. HRs—N.Y.,Olerud (8), Hundley (11). Fl.,Eisenreich (1).

Pittsburgh	000	000	100	—1	4	1
St. Louis	000	110	01x	—3	7	0

Loaiza, Peters (8), M. Wilkins (9) and Kendall; Dn.Jackson, Petkovsek (7), Fossas (8), Eckersley (9) and Lampkin. W—Dn.Jackson, 1-0. L—Loaiza, 4-1. Sv—Eckersley (8). HR—St. Louis, Gant (8).

Montreal	010	001	000	—2	9	0
Atlanta	000	210	10x	—4	9	0

Hermanson, Telford (6), Dad (6), D. Veres (7) and Widger; Wade, Bielecki (7), Wohlers (9) and Lopez. W—Wade, 2-3. L—Hermanson, 1-3. Sv—Wohlers (10). HR—Montreal, Segui (6).

Philadelphia	200	000	100	—3	10	1
Chicago	000	000	101	—2	6	0

M.Leiter, Bottalico (9) and Lieberthal; Parent (8), F.Castillo, Casian (7), Bottenfield (7), Wendell (9) and Servais. W—M. Leiter, 4-4. L—F. Castillo, 2-6. Sv—Bottalico (11). HRs—Philadelphia, Jefferies (3), Rolen (5). Cincinnati 201 000 022—7 14 2 Houston 010 002 010—4 9 1

Smiley, Carrasco (3), Shaw (8) and Oliver; Holt, Garcia (6), R.Springer (8), Lima (9), Martin (9) and Ausmus. W—Smiley, 4-6. L—R. Springer, 1-2. Sv—Shaw (5).

Colorado	000	200	100	—3	6	1
San Francisco	400	100	10x	—6	10	0

Bailey, DeJean (5), M. Munoz (8) and J. Reed; VanLandingham, Henry (6), Beck (9) and Jensen. W—VanLandingham, 2-2. L—Bailey, 2-2. Sv—Beck (15). HRs—Colorado, Castilla (12), Burks (8). San Francisco, Kent (10).

Los Angeles	000	000	102	—3	8	2
San Diego	201	010	30x	—7	11	0

Valdes, Radinsky (7), To.Worrell (8) and Piazza; Hitchcock, Kroon (9), Burrows (9) and Flaherty. W—Hitchcock, 4-4. L—Valdes, 2-5. HRs—Los Angeles, Mondesi (9), Ashley (2). San Diego, Joyner (3).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	23	15	—	.605	—
Chunichi	19	19	—	.500	4.0
Hiroshima	17	17	—	.500	4.0
Yokohama	17	17	—	.500	4.0
Hanshin	17	19	—	.472	5.0
Yomiuri	15	21	—	.417	7.0

WEDNESDAY'S RESULTS:
Yakult 17, Hiroshima 4
Chunichi 9 Hanshin 4
Yomiuri 5, Yokohama1

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	22	14	—	.611	—
Daiei	20	17	—	.541	2.5
Orix	17	15	—	.531	3.0
Nippon Ham	16	20	—	.444	6.0
Lotte	15	19	1	.441	6.0
Kintetsu	15	20	1	.429	6.5

WEDNESDAY'S RESULTS:
Seibu 3, Daiei 2
Orix 13, Nippon Ham 9
Kintetsu 2, Lotte 1

BASKETBALL

NBA Playoffs

EASTERN CONFERENCE FINALS
(BEST-OF-SEVEN)
TUESDAY'S RESULT

Miami	25	24	17	11—	77
Chicago	17	21	23	23—	84

M: Mourning 7-13 7-15 21, Hardaway 4-14 3-6 13; C: Jordan 15-31 7-10 37, Pippen 8-18 4-5 24. Rebounds—Miami 51 (Mourning, Austin 8), Chicago 65 (Rodman 19). Assists—Miami 15 (Hardaway 9), Chicago 18 (Pippen, Harper 4).
(Chicago leads series 1-0)

ICE HOCKEY

NHL Playoffs

EASTERN CONFERENCE FINALS
(BEST-OF-SEVEN)
TUESDAY'S RESULT

Philadelphia	2	0	4—6
N.Y. Rangers	0	0	3—3

First Period: P-Lindros 7 (Niinimaa, Coffey) 2. Philadelphia, Svoboda 1 (LeClair, Zubrus) Second Period: None. Third Period: New York, Courtnall 2 (Gretzky, Tikkanen) (pp). 4. New York, Courtnall 3 (Rabitaille, Lidster) 5. P-Lindros 8 (LeClair, Zubrus) 6. New York, Gretzky 10 (Courtnall) 7. P-Klatt 4 (Podein) 8. P-Brind'Amour 8 (Therien) 9. P-Lindros 9 (Otto) (en). Shots on goal: P- 12-5-6—25. New York 5-11-12—28. Goalies: P-Hextall. New York, Richter.
(Philadelphia leads series 2-1)

CRICKET

4-NATION INDEPENDENCE CUP
1-DAY INTERNATIONAL
SRI LANKA VS. NEW ZEALAND
TUESDAY, IN HYDERABAD, INDIA
Sri Lanka: 214 in 48.3 overs
New Zealand: 162 in 44.5 overs.
Sri Lanka won by 52 runs

INDIA VS. PAKISTAN
WEDNESDAY, IN MADRAS, INDIA
India: 292 in 49.2
Pakistan: 327-5
Pakistan won by 35 runs.
Pakistan meets Sri Lanka in final.

CYCLING

Giro d'Italia

Leading placings in 5th of Giro d'Italia over 215 kms from Arezzo to Terminillo:

1. P. Tonkov, Russ. Mapei 6 h. 14 min. and 58 sec.; 2. L. Leblanc, Fr., Polti; 3. M. Pantani, It., Mercatone Uno; 4. I. Gotti, It., Saeco same time; 5. M. Coppolillo, It., Magliflicio MG at 2 sec.; 6. L. Pieposli, It., Ceramiche Refin same time; 7. A. Noe', It., Asics at 18 sec.; 8. A. Shefer, Kazak., Asics 29 s.; 9. G. Simoni, It., Magliflicio MG 47s; 10. R. Petito, It., Saeco 49s.

OVERALL: 1. Tonkov 18 hours 22 minutes and 49 seconds; 2. Leblanc 41 seconds behind; 3. Gotti 1:07; 4. Petito 1:13; 5. Pantani 1:31; 6. Noe' 1:43; 7. Coppolillo 2:09; 8. P. Savoldelli, It., Rosiatio 2:40; 9. Pieposli 2:49; 10. Shefer 3:05.

SOCCER

INTERNATIONAL FRIENDLY
Japan 1, South Korea 1

BRAZIL CUP FINAL
TUESDAY, IN PORTO ALEGRE, FIRST LEG
Gremio 0, Flamengo 0

YUGOSLAV CUP FINAL
WEDNESDAY, IN BELGRADE, RETURN LEG
Red Star Belgrade, 1, Vojvodina, Novi Sad 0
Red Star win 1-0 on aggregate.

TENNIS

Davis Cup

EURO/AFRICAN ZONE, GROUP 3
WEDNESDAY IN PLOVDIV, BULGARIA
GROUP A
Bulgaria def. Malta 3-0
Estonia def. Kenya 2-1

GROUP B
Monaco def. Algeria 2-1
Moldova def. Cameroon 3-0

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

CHICAGO—Recalled INF Greg Norton from Nashville, AA. Optioned RHP Al Levine to Nashville.

CLEVELAND—Agreed to terms with OF David Justice on 4-year contract extension through 2002. OF Marquis Grissom on 5-year contract extension through 2002. 1B Jim Thome on 3-year contract extension through 2001 and NF Torey Lovullo on minor-league contract with Buffalo, AA. Put RHP Jack McDowell on 15-day disabled list. Activated RHP Paul Shuey from 15-day disabled list.

TEXAS—Sent C Brian Lillare to St. Louis Cardinals to complete earlier trade.

NATIONAL LEAGUE

NL—Suspended Cincinnati Reds manager Ray Knight for three games and fined him undisclosed amount for arguing with umpire Jerry Layne and throwing base during game on May 17.

FLORIDA—Put LHP Tony Saunders on 15-day disabled list.

LOS ANGELES—Optioned OF Wayne Kirby to Triple-A Albuquerque, PCL. Recalled OF Roger Cedeno from Albuquerque.

ST. LOUIS—Put LHP Lance Painter on 15-day disabled list. Activated RHP Danny Jackson from injured list.

SAN DIEGO— Put RHP Andy Ashby on 15-day disabled list. Designated C Dan Slaught for assignment. Recalled RHP Marc Kroon from Las Vegas, PCL. Purchased contract of LHP Terry Burrows from Las Vegas.

SAN FRANCISCO—Put RHP Osvalda Fernandez on 15-day disabled list. Recalled RHP Keith Foulke from Phoenix, PCL.

PHILADELPHIA—Announced RHP Bobby Munoz has declined assignment to Scranton-Wilkes-Barre, IL and has become free agent.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

BUFFALO—Signed DT Doug Brown.

NEW ORLEANS—Signed WR Eric Guliford.

NEW YORK JETS—Announced the retirement of S Gary Jones. Signed CB Otis Smith.

OAKLAND—Signed OL Lester Holmes.

PITTSBURGH—Signed DE Nolan Harrison to 2-year contract.

SAN FRANCISCO 49ERS—Singed FB Steve Avery.

SEATTLE—Signed LB Joe Cain to 2-year contract.

HOCKEY
NATIONAL HOCKEY LEAGUE

ANAHEIM—Fired Ron Wilson, coach, and Tim Army, assistant coach.

COLORADO—Sent G Marc Denis to Hershey, AHL.

EDMONTON—Signed Ron Low, coach to multiyear contract extension.

DALLAS—Extended contract of Ken Hitchcock, coach, and Doug Jarvis and Rick Wilson, assistant coaches, for 1 year.

COLLEGE

GEORGIA—Named Ron Jirsa mens basketball coach.

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SPORTS

Bulls Wake Up, but Just in Time

Dragging Until 4th Quarter, Chicago Defeats Miami

By Selena Roberts
New York Times Service

CHICAGO — The Chicago Bulls seemed to nod off for a while against the Miami Heat in the opening game of the Eastern Conference finals.

Perhaps Chicago thought Miami was not a suitably stimulating substitute for the preferred opponent, the New York Knicks.

But even though the Bulls started out by treating the Heat as a less-than-worthy challenge on Tuesday night, falling behind by as many as 16 points in the first half, they pulled themselves together in the second half and won, 84-77. The victory gave Chicago a 1-0 advantage in the best-of-seven-game series.

The Bulls snapped to attention in a tense final four minutes. Michael Jordan picked up a technical foul and Dennis Rodman — who had his own technical, his 12th of the playoffs — fouled out with 1 minute 19 seconds left.

Rodman departed with four points and 19 rebounds, having given the Bulls the boost of energy they needed on defense.

Indeed, tough defensive and poor free-throw shooting undid the Heat, who scored only 11 points in the fourth quarter. The Bulls, meanwhile, put together a 12-4 run to finish off the game.

Jordan, who had 37 points, delivered with 3:26 left in the game when he penetrated across the baseline and passed out to Ron Harper on the perimeter for an open 3-pointer that gave the Bulls a 75-73 lead. Then, after a Heat time-out, Jordan picked up a loose ball off a Miami inbounds pass — a turnover forced by full-court pressure — and dunked it to give the Bulls a 77-73 lead.

Alonzo Mourning (21 points) continued his free-throw woes by missing 5 of 6 attempts in the final 2:20.

From the start, the Heat looked fresh from the cleaners, pressed and ready to go despite a draining seven-game series with New York. It was the Bulls who looked out of sorts, stale from five days off.

The Bulls did not seem to take the Heat seriously until the third quarter, when they trimmed the Heat's 49-38 halftime lead with an inspired 16-7 run. They drew that inspiration from Jordan and Rodman, who were able to force the Heat into turnovers and fluster their shot selection. Still, the Heat remained calm enough to hold a 66-61 lead after the third quarter.

The Heat had the glowering Mourning at center, while the Bulls had the affable Australian, Luc Longley. It was a matchup to watch.

Mourning won the duel again and again in the first half. He had 5 blocked shots and 13 points before the Bulls armed themselves with double teams, sticking Mourning with the prickly Rodman at times.

Rodman has a way of agitating big men as well as officials, and his active style helped fuel a third-quarter awakening by the Bulls, who had hit just 30 percent of their shots in the first half. Rodman's two steals and four rebounds picked everyone up.

He got away with some roughhousing it at first, going in for a lay-up and lowering a shoulder into Mourning. No foul was called as Mourning stretched out onto the court, holding his rib cage.

Things were getting rough and interesting. The Heat, which had hit 46 percent of its shots from 3-point range in the first half, cooled down just a bit.

Then the crowd went crazy when Rodman dove to save a loose ball and the Bulls created two consecutive turnovers. That lift was turned into a 59-58 Chicago lead when Jordan hit a jumper with four minutes left in the quarter.

But Rodman was called for his 12th technical of the playoffs when he hit Mourning in the back after the Heat's center and Jordan had collided.

That lull in the Bulls' momentum opened a window for the Heat, who made a 9-2 run to take a lead into the fourth quarter.

That was when the Bulls needed to show that they were going to take the Heat seriously.

■ Wilkens Not Going to Orlando

The Orlando Magic asked for and were denied permission to talk to Lenny Wilkens, the coach of the Atlanta Hawks, according to NBA sources, the Associated Press reported from Orlando, Florida.

The refusal made Wilkens the second prominent coaching candidate to be eliminated from consideration for the Magic's head coaching job within a matter of a few hours late Monday. Earlier in the day, the Magic's general manager, John Gabriel, met with Chuck Daly, who asked to have his name withdrawn from consideration as well.

The Orlando Sentinel reported Tuesday that Gabriel said: "It's going to be a tough job, but I'm still confident that we're going to get the guy we want."

Wilkens is the winningest coach in NBA history, with 1,070 victories.

NBA Playoffs

Fred Jewell/The Associated Press

Michael Jordan, No. 23, trying to prevent Dennis Rodman getting into more trouble after Rodman picked up a third-quarter technical foul.

Marv Albert Charged With Sexual Assault

By Lan Nguyen
and Leonard Shapiro
Washington Post Service

WASHINGTON — Marv Albert, a well-known U.S. sports broadcaster, has been indicted on sodomy and assault charges alleging that he repeatedly bit a woman and forced her to perform oral sex in a Northern Virginia hotel room three months ago.

Albert, 53, is the lead announcer for professional basketball coverage on NBC, the U.S. television network.

The police said the 41-year-old woman told them that Albert had been a friend of hers for 10 years and was in the Washington area on Feb. 12 to broadcast a New York Knicks-Washington Bullets basketball game. She said Albert called her to his hotel room and that the two got into an argument shortly after midnight.

"She says he threw her on the bed and that he bit her severely, viciously, on the back," said Tom Bell, a police spokesman. "She had bite marks, 10 or 15 of them."

Bell said the woman told the police that Albert forced her to commit sodomy. The woman notified the police after seeking treatment at a hospital, Bell said.

In a statement issued by NBC Sports, Albert said, "I categorically deny these charges and intend to vigorously defend myself against these allegations. I am confident that I will be completely exonerated when these allegations are addressed in a public courtroom."

If convicted of forcible sodomy, Albert faces five years to life in prison.

A Smashing Day For Giants' Kent

He Hits 3d Grand Slam This Year

The Associated Press

Jeff Kent hit his third grand slam this season and drove in a career-high five runs to lead the San Francisco Giants to a 6-3 victory over the Colorado Rockies.

"I don't want to analyze everything that's been happening to me," Kent said after Tuesday's game. "I've been able to control my emotions and simplify this game, and it's been fun for me. That's what gives you success."

Kent has hit 10 homers, three more than Barry Bonds, who is usually the Giants' offensive star. Kent has driven in 42 runs, 20 more than Bonds.

All three of Kent's slams followed walks to Bonds, who is tied with Frank Thomas for the major-league walks lead at 42.

"He's taking advantage of pitching around Bonds," said Don Baylor, the Rockies' manager. "In situations where Bonds can beat me, I'm not about to let him."

Ellis Burks and Vinny Castilla homered for Colorado, which is 2-9 on its 13-game road trip.

Padres 7, Dodgers 3 Wally Joyner drove in four runs for the Padres, and Sterling Hitchcock allowed one run and five hits in eight innings at San Diego.

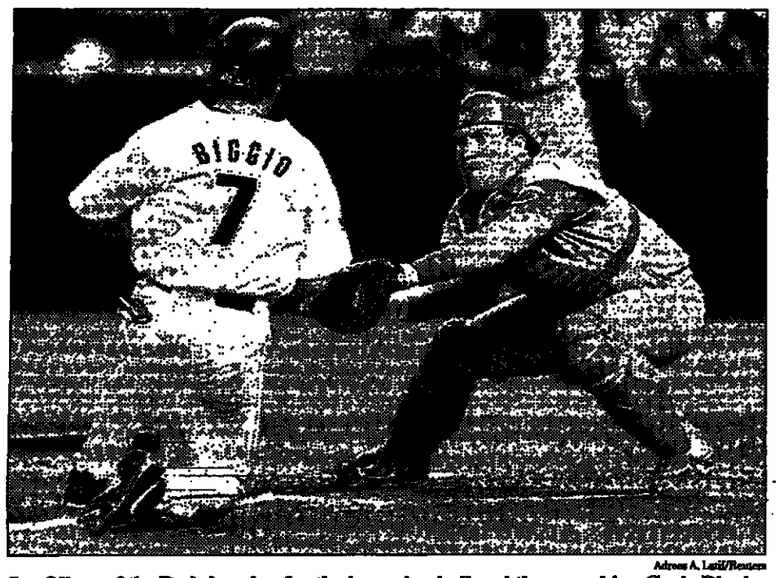
Archi Cianfrocco, starting at third base for San Diego in place of the injured Ken Caminiti, drove in three runs, and Tony Gwynn went 3-for-3 with a pair of doubles.

Mike Piazza went 3-for-4 with two doubles for Los Angeles.

Marlins 6, Mets 5 Todd Dunwoody singled to cap a two-run rally by the Marlins in the ninth inning against John Franco, who had converted 12 consecutive saves and hadn't allowed a run in his previous 16 outings.

Florida won its eighth straight — one short of the franchise record — and improved to a major-league-best 18-5 at home.

NL Roundup



Adrees A. Latif/Reuters

Joe Oliver of the Reds bracing for the incoming ball and the onrushing Craig Biggio.

Cardinals 3, Pirates 1 Danny Jackson, making his season debut, allowed three hits in 6⅓ innings as host St. Louis stopped a four-game losing streak. Jackson had been sidelined since the beginning of spring training with a rib-cage muscle pull. Ron Gant homered for the third time in four games.

Braves 4, Expos 2 Terrell Wade allowed two runs and eight hits in six innings and drove in the go-ahead run with his first hit of the season as host Atlanta won its fifth straight.

Mark Wohlers got three outs for his 10th save, sending the Expos to only their second loss in nine games.

Phillies 3, Cubs 2 Mark Leiter gave up one run and three hits in eight innings, and Ricky Bottalico survived a wild ninth to strike out the Cubs at Wrigley Field.

Scott Rolen and Gregg Jefferies each homered for the Phillies, who took a 3-1 lead into the ninth. Bottalico gave up three consecutive singles, then struck out pinch-hitters Brooks Kieschnick and Mike Hubbard for his 11th save.

Reds 7, Astros 4 John Smiley won his eighth straight decision against Houston since May 8, 1993, and Curtis Goodwin went 4-for-5 for visiting Cincinnati.

Griffey Slugs Home Run No. 20

After 44 Games, Mariner Is on a Pace to Hit More Than 70

The Associated Press

It's only May, but it's hard not to think about Ken Griffey Jr.'s chasing Roger Maris's record of 61 home runs in a season. Griffey has hit 20 homers in 44 games, so he's on pace to hit more than 70.

He hit No. 20 on Tuesday night — a 470-foot blast to right field. Maris hit No. 20 in game 55 in 1961, the year he hit 61. Babe Ruth hit No. 20 in game 52 when he hit 60 in 1927.

"If there's anybody out there who can, he's probably the guy," said Tim Salmon of the California Angels. "He's one of those guys who, every time he gets up there, you go, 'Oh, man, I've just got a bad feeling here.' And there aren't too many hitters like that."

Salmon made some noise of his own Tuesday night, hitting a three-run double in the eighth inning to lift the Angels to an 11-9 victory over the Mariners.

With the Angels trailing, 9-8, Jim Edmonds and Dave Hollins walked with one out and Jim Leyritz reached first base when third baseman Russ Davis was late trying for a force play at second, loading the bases. Salmon drove a 2-2 pitch to the gap in left-center to make it 11-9.

Blue Jays 2, Yankees 0 In New York, Pat Hentgen, who edged Andy Pettitte for the American League Cy Young Award last year, beat him again by pitching a five-hitter.

Hentgen (5-1) extended his streak of consecutive innings without an earned run to 39. He won his fifth straight decision with his league-leading second shutout.

Pettitte (6-2) pitched nearly as well, but was doomed by a shaky defense. Errors by Tino Martinez at first base and Mariano Duncan at second produced an unearned run in the sixth. A grounder that got under Duncan's glove let another run score in the eighth.

Indians 4, Royals 3 In Cleveland, Manny Ramirez, using a cracked bat, hit a two-run homer in the eighth to lead the Indians to their 10th come-from-behind victory.

The Indians trailed, 3-0, through six innings, got two runs in the seventh and went ahead in the eighth. David Justice led off with a single and Ramirez followed with his homer.

Orioles 4, Tigers 3 In Baltimore, Scott Kamieniecki took a one-hitter into the eighth after the surging Orioles scored four times in the fifth for their fourth straight victory. The Orioles now lead the AL East by five games.

Twins 4, Brewers 3 In Milwaukee, Scott Stahoviak homered and Minnesota handed the Brewers their seventh straight loss.

White Sox 10, Red Sox 1 In Chicago, Frank Thomas reached base in his first three plate appearances, then fell one short of Ted Williams's record for most consecutive times on base.

Thomas doubled in the first, then walked in the third and fourth to pull within one of Williams's record of reaching in 16 consecutive plate appearances, set in 1957. Thomas flied out to center in the fifth.

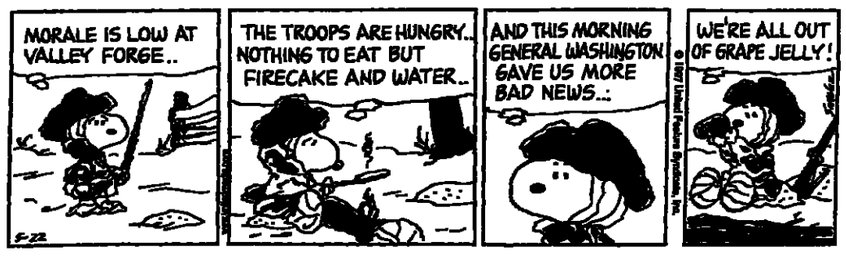
Rangers 8, Athletics 3 Bill Ripken broke a fourth-inning tie with his first homer since June 5 of last season as Texas beat visiting Oakland.

Bobby Witt (7-0) struggled early but tied the team record for best start, set by Jim Kern in 1979 and matched by Jeff Russell in 1988.

AL Roundup

DENNIS THE MENACE

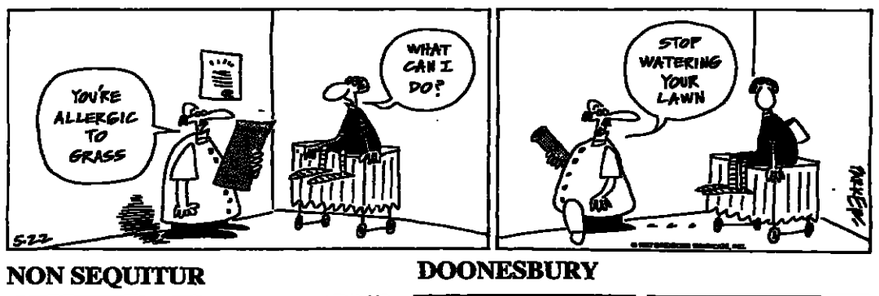
PEANUTS



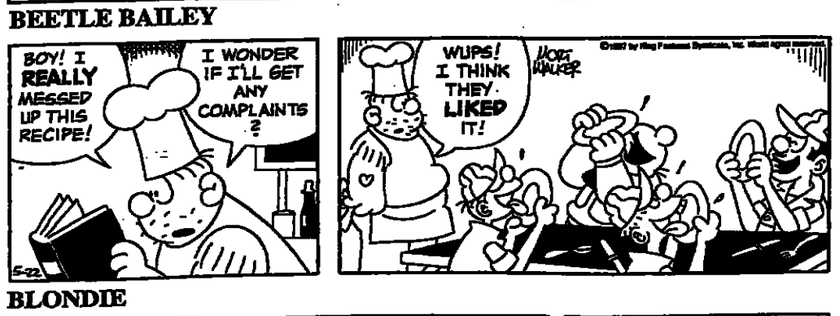
CALVIN AND HOBBES

GARFIELD

WIZARD of ID



BEETLE BAILEY



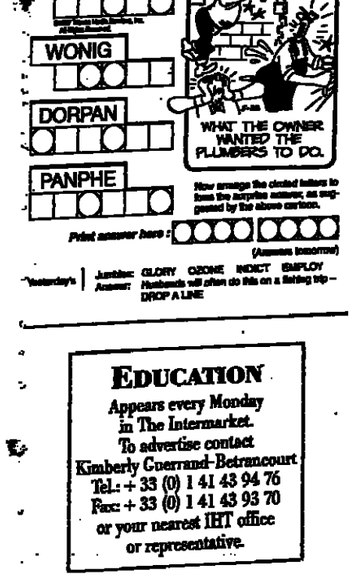
NON SEQUITUR

DOONESBURY

BLONDIE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion



Yesterday's Jumble: GLORY OZONE INDICT EMPLOY
Answer: Husbands will often do this on a fishing trip – DROP A LINE

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ART BUCHWALD

A Beautiful Suit

WASHINGTON — There is a yin and yang even when it comes to sexual harassment.

DeVan Shumway told me his story.

He got on the elevator in his office building and a very attractive woman dressed in one of those suits with gold buttons was a fellow passenger. Shumway smiled at her and she smiled at him.

Buchwald

To be polite, he said, "That's a beautiful suit you are wearing."

She replied, "I'm going to sue you for a million dollars."

Shumway was shaken. "You mean for saying you have a nice suit?"

"You did not have my permission to say it. What I wear is of no concern to you."

"Then why are you wearing it if you don't want anyone to comment on it?"

"I'm hoping Larry Hagler will notice it. He used to work on the same floor that I do."

"I would think the fact that someone noticed the suit would please you as well. A compliment in an elevator is certainly no cause to start World War III."

She said, "Women are sick and tired of men noticing what they are wearing. It's very degrading."

"So forget I said it," Shumway answered. "It's my fault for even noticing it because someone in the coffee shop told me to have a nice day, and like a damn fool I was having one."

□

The woman turned her back on Shumway. A man got on the elevator and apparently knew the lady, so he said, "Gloria, you look ravishing."

"Be careful," Shumway warned. "She'll sue you for the entire farm."

Gloria said, "Hello Blake, long time no see."

"I'm on the 10th floor now, and the express elevator never stops at the sixth on the way up. I forgot how good you look in clothes."

"You really think so?"

"I love your shoes too. Gloria, you are really put together."

"That's exactly what I was telling her," Shumway said.

□

Gloria looked at him and said, "You will hear from my lawyers in the morning."

"How come your buddy here says all those things to you and you look pleased as punch, but I throw a compliment your way and you want me to get the death penalty."

"There is a difference between sexual harassment and flattery."

"I know what it is," Shumway said. "It's what someone who works on the 10th floor says to you. I assure you I will never mention an item of your clothing ever again."

"You'd better not, or my lawyers will ask for an all-female jury."

Snow White, the Fakes

Reuters

BRUSSELS — Thousands of counterfeit Snow Whites and even larger numbers of her seven dwarfs face destruction after Belgian customs seized 13 containers full of them at the port of Antwerp, the Belga news agency said. The plastic Walt Disney characters were reportedly on their way from China to France.

Beyond Good and Evil: A Writer's Tough Life

By Doreen Carvajal
New York Times Service

Alan S. Weiner/The New York Times

Author John Berendt in Bonaventure cemetery, which figures in his book.

SAVANNAH, Georgia — In this balmy hothouse of eccentrics and characters, John Berendt is as prominent as a live oak, a celebrated muse of the South often pointed out by tour guides as they inch by the best-selling author in horse-drawn carriages and air-conditioned minibuses.

Tourists wave. Berendt smiles. And the buses and canopied carriages drift languidly away, like jasmine blossoms or sand gnats — depending on the local view of the enduring popularity of Berendt's book, "Midnight in the Garden of Good and Evil," published by Random House almost three years ago.

The Savannah shorthand for Berendt's first literary effort is simply "The Book." It is a story of an actual murder that is almost incidental to its spicy gumbo of real characters who are stirred together, in some instances, in fictional scenes invented by the author. The cast includes a gentleman-bachelor, an antiques dealer with a bisexual lover and a pristine collection of Nazi memorabilia; a tart-tongued black drag queen who calls herself The Lady Chablis; the gloved members of the exclusive Married Woman's Card Club, and the author himself, transplanted temporarily from the Upper West Side to Savannah's gossipy historic quarter.

Berendt, whose manuscript was once scorned by a prominent New York agent as too regional, has sold more than 1.25 million copies of "The Book" and made him $4 million richer. Hardcover sales have been so steady over the last three years that Random House executives sometimes joke about issuing a paperback version in 2002.

And the book's popularity shows no sign of waning. It has increased Savannah's tourism, spawned a cottage industry of memorabilia and inspired an autobiography by The Lady Chablis. Then there are the "Midnight" Key lime cookies and, of course, the movie, now being filmed in Savannah. Clint Eastwood is directing, and Kevin Spacey stars as the antiques dealer, John Cusack as Berendt and The Lady Chablis as herself.

Still, no one, least of all the puzzled author, can fully explain why "The Book" is still selling like pecan pies.

"It's sort of baffling to me," Berendt said. "But what I'm told is that there is a word-of-mouth phenomenon. It's nothing that I'm doing."

But despite his modesty, Berendt has been known to sign as many as 29 books a minute. On one rainy morning in late April, at a Books-a-Million store in a Savannah strip mall, he bolted out of a car without waiting for the driver to find a parking space so that he could increase his signature output.

Since its publication, "Midnight" has burrowed into the middle ranks of the New York Times best-seller list. Next week, it will be ranked No. 12, marking its 149th week in the nonfiction category.

Success has made Berendt, 57, a wealthy, celebrated and cautious man. Five years after finishing the book, he is still trolling for the right story and perfect setting for his next effort. The hunt is much more difficult now than in 1982, when he was an Esquire columnist taking advantage of cheap air fares to explore Savannah without benefit of a book advance or a publisher.

He was a rather unlikely character to play muse of the South. Born in Syracuse and educated at Harvard, he is a former editor of New York magazine who has lived for almost 30 years on the Upper West Side.

His research brought him to the isolated and magical land of Savannah, a lush city in southeastern Georgia with stately 18th- and 19th-century town houses, grassy squares shaded by dogwoods and live oaks, and intimate neighborhoods that coddled their eccentrics and elevated whispers of gossip to a storytelling art form.

As the years passed, even the eccentrics started to consider Berendt a colleague whose ambitious plan to write a book was about as apt to happen as General Sherman's donating Savannah back to the Confederacy.

"Gossip is at a premium in Savannah," Berendt said over lunch at the DeSoto Hilton Hotel, where he picked at an improbable Southern version of a Reuben sandwich. Savannahians "have a lot of time on their hands," he said. "People tell stories that are full and rich in their description. In New York, people would say, 'Before going out, Mrs. Jones put on her coat.' That would not do in Savannah. They would say, 'Before going out, Mrs. Jones put on her coat from her third husband, who gave it to her before he committed suicide.'"

In his book, he portrays himself as a detached and worldly narrator, a Northerner always ready to listen to stories of Savannah over martinis at the tomb of Conrad Aiken in Bonaventure Cemetery. "I wanted the critics to love it, and I didn't really care how much money I made," Berendt said, referring to "Midnight." "It's a book, a real book. That's what I wanted out of it, and that's all I expected. I did not expect this to be a best seller."

The book, a finalist for the 1995 Pulitzer Prize in nonfiction, mixes fiction with fact. For example, Berendt was not living in Savannah in 1981, when Jim Williams, the antiques dealer, was accused of shooting Danny Hansford, his sometime lover, to death in the study of his 19th-century mansion.

Yet, there is a scene that describes a telephone call that Berendt received from The Lady Chablis, alerting him to the morning headlines announcing Williams's arrest. In fact, Berendt did not even meet The Lady Chablis until five years after the murder.

"There are characters in my book that have nothing to do with the murder," Berendt said. "They seem to be connected, but they're not. The subtitle of my book is 'A Savannah Story,' and it's really a hundred Savannah stories. And the trick I tried to do is pull it together."

At least one of the book's primary characters complained that he does not quite recognize himself through the lens of nonfiction. The character is Luther Driggers. Berendt's pseudonym for a shy inventor who possessed a bottle of poison that some residents feared could be used to wreak havoc on Savannah's water supply.

"I said some things with more of a droll sense of humor that didn't come across," said the man, who prefers to be known by his pseudonym, he said, because he does not want the wider world to know who he is.

But that view did not deter him from showing up at a party for Berendt in Savannah, nursing a cocktail in one hand, a cane in the other and observing how difficult it is to walk since he was struck by lightning.

He made this observation as casually as he might in talking about what he had for lunch. As Berendt notes in his book, Savannah allows eccentrics to flourish "like hothouse plants tended by an indulgent gardener."

Leo Sorel/The Associated Press

WEDDED BLISS — Actors Matthew Broderick and Sarah Jessica Parker hug after their marriage in New York, just days after Broderick scoffed at the rumors.

PEOPLE

NEXT in line to challenge the chess-playing IBM computer is **Natan Sharansky**, Israel's trade and industry minister, according to his aides. They said a match between Sharansky and *Deep Blue*, which recently defeated world champion **Gary Kasparov**, is scheduled during the minister's visit to New York next week. Sharansky, who honed his skills during nine years in Soviet prison camps, beat Kasparov several months ago in Israel — when the champion played 40 simultaneous matches blindfolded.

□

Seventy years after **Charles Lindbergh** made the first solo nonstop trans-Atlantic flight, a Texas businessman traced the same path, landing at Le Bourget airport near Paris at 11:25 A.M. Wednesday. **Bill Signs** — who was greeted by 200 people, including children and elderly French aviation buffs — said he felt "pretty tired but pretty good" after the flight of nearly 22 hours from an airfield in a New York suburb. But the 44-year-old Dallas auto repair shop owner also had state-of-the-art electronics gear, a wet suit and life raft — concessions to survival lacking in Lindbergh's "Spirit of St. Louis." Signs's 23-year-old Cessna 210 cruises at 172 miles an hour. Lindbergh's Ryan monoplane cruised at 107 mph and took 33½ hours to cross the Atlantic.

□

Isabelle Adjani, who headed this year's Cannes film festival jury, insists that the panel awarded Golden Palms to "great films, not good causes." In a rare post-festival interview in the French daily Le Monde, Adjani said the 10-member jury had no intention of drawing up a politically correct list of winners. "It was not a question of crowning good causes but rather great films," she said. "Simply, the majority of the most interesting filmmakers are the ones confronted with difficult situations. Their creativity blows a hole in the wall and lets in the light. When the film works, you have to act."

□

The Cable News Network has offered **Tom Brokaw** a multiyear contract worth more than $7 million annually to leave NBC News and become CNN's on-air leader, two executives familiar with the negotiations said. CNN would give Brokaw, 57, an hourlong prime-time news slot and a commitment for several special programs, said the executives, speaking anonymously. Brokaw's four-year contract as NBC's chief anchor expires on Aug. 30, and NBC executives are discussing their own offer with Brokaw. Lead anchors for the three major networks are believed to get $4 million to $5 million a year.

□

The second day of the auction of items from the estate of the **Pamela Harriman** continued to draw far higher prices than estimated, but bidding was quieter than at the wild opening session. Sotheby's in New York said the second day brought in $2.2 million, taking total sales for four of the six planned sessions to $6.9 million. The day's top price was $32,200 for a Louis XVI-style ormolu-mounted mahogany gueridon, six times more than the estimated high bid.

□

Alexander Solzhenitsyn, the Nobel literature prize winner, has been in hospital for more than a week for heart trouble, officials of the Russian Alexander Solzhenitsyn Fund said, but they denied that the 78-year-old writer had suffered a heart attack. "Now he feels not bad, even much better. He is even working," said the fund secretary **Munera Urazova**.

□

A Budapest restaurant that charged two Danish tourists and two women companions more than $6,000 for dinner and drinks has been closed down for three months by local authorities. Consumer protection authorities said last week they had begun legal proceedings against the Dreher Halaszcsarda after **Preben Olsen** lodged a complaint at a tourist office, saying he had been charged more than 1 million forints, newspapers said. But a successful claim against the restaurant's owner would result in a maximum fine of only 30,000 forints ($176) under Hungarian law.

□

Ennis Cosby has been posthumously awarded a master's degree in education from Teachers College at Columbia University. "Ennis Cosby was a terrific person, epitomizing the best of Teachers College," **Arthur Levine**, the president, told master's recipients. The son of actor **Bill Cosby** was pursuing a doctorate in education at the school and had earned sufficient credits for the master's.

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